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Report 2023-065

Report Title: Transition of Blue Box Program to Full Producer Responsibility

Committee Name: Public Works

Committee Meeting Date: June 5, 2023

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Approved by: Jennifer Moore, CAO

Council Meeting Date: June 21, 2023

Strategic Plan Priorities: Economic Prosperity and Innovation
 Sustainable Growth
 Thriving and Inclusive Communities
 Leadership in Change

Recommendation

“Whereas Circular Materials Ontario is seeking to enter into agreements with the County, for the County to:

- a) Provide curbside collection of Blue Box Materials from eligible community residences and facilities and public spaces;
- b) Provide depot collection of Blue Box Materials from eligible community sources;
- c) Provide promotion and education relating to the Blue Box Program within the County; and

Now Therefore Be It Resolved That the Public Works Committee, having considered Report 2023-065 'Transition of Blue Box Program to Full Producer Responsibility, recommend that County Council authorize the Chief Administrative Officer, or her designate(s), to negotiate and execute the above described agreements with Circular Materials Ontario, provided that mutually agreeable commercial terms can be reached.”

Purpose

The purpose of this report is to seek Council authorization for the Chief Administrative Officer (or her designate(s)) to negotiate and execute agreements with Circular Materials Ontario (CMO) for the County to administer promotion and education and provide curbside and depot collections associated with Blue Box Materials, on behalf of CMO, during the transition period for the Blue Box Program to full producer responsibility. The timing of the transition period for Northumberland County will be from January 1, 2024, until December 31, 2025.

Background

The Resource Recovery and Circular Materials Act, 2016 and the Waste Diversion Transition Act, 2016, authorize the transition of the financial and operational responsibility for managing designated packaging, paper and packaging-like products from municipalities to the producers of such products and packaging. This transition changes the existing shared responsibility model to a full producer responsibility model.

On June 3, 2021, the Province adopted Ontario Regulation 391/21: Blue Box, which stipulated the transition timeline and schedule, designated materials, eligible and non-eligible sources, management targets, and detailed the transition of the Blue Box Program to Producers. Subsequently, this Regulation was amended with Ontario Regulation 349/22: Blue Box, on April 14, 2022.

Based on the timelines laid out in the Regulation, as of January 1, 2024, the County will no longer be obligated to provide Blue Box recycling services to residents, as this obligation will legally fall to Producers on that date.

The Blue Box Regulation allows for Producers of designated materials to enter into agreements with Producer Responsibility Organizations (PROs), for the PRO to execute and administer a Producer's requirements under the Regulation.

Circular Materials Ontario (CMO) is a PRO that represents a majority of the Producers covered under the Regulation. Given that CMO represents a majority of the Producers, it is responsible for establishing the common collection system for Ontario (i.e. set the rules and requirements for implementing the common collection system, including the choices of how municipalities may or may not be involved, how recyclable materials will be handled, and where they are to be processed before being sent to end markets).

CMO has developed a Master Service Agreement (MSA) for services related to Blue Box Materials, as well as Statements of Work (SOWs) for the Collection of Recyclables from Eligible Sources, for the receipt of Blue Box Materials at Depots and for Promotion and Education associated with Blue Box Programs. Where CMO is seeking a municipality to provide any of

these services, it has developed and submitted individualized SOWs for the various services to the respective municipality.

CMO would like to enter into agreements with the County, for the County to administer promotion and education, and provide curbside and depot collections associated with Blue Box Materials, on CMO's behalf, during, and possibly after, transition.

At their June 17, 2020 meeting, County Council received Report 2020-52, which provided an overview of the Province's plan to transition the Blue Box Program to full producer responsibility. This report contained discussions on the various options the County could consider relating to what, if any, Blue Box services the County may want to try and continue to provide, once Producers became fully responsible for the Blue Box Program. Based on the options assessed, Council expressed its interest in exploring the opportunity to continue to provide collection services, on behalf of Producers, during, and possibly after, transition, provided that mutually agreeable commercial terms could be reached.

Consultations

In consultation with several stakeholders, including, but not limited to the Association of Municipalities of Ontario (AMO), the Ontario Waste Management Association (OWMA), the Municipal Resource Recovery and Research Collaborative (M3RC), and multiple individual Ontario Municipalities, CMO has developed a MSA for Services Related to Blue Box Materials, as well as SOWs related to Curbside Collection of Recyclables, Depot Collection of Recyclables and Promotion and Education for Recycling Services.

Where CMO is seeking municipalities to provide Blue Box services related to collections, depot operations and / or promotion and education, they have engaged with the municipality and provided them with a draft MSA and associated SWOs.

Legislative Authority / Risk Considerations

As of January 1, 2024, the County will no longer be legislatively required to provide a Blue Box Program to its residents. That responsibility will transition to Producers on that date, as per the requirements of O. Reg. 391/21 and subsequent amendment O. Reg. 349/22.

As discussed further under the following section of this report, staff are recommending that the County enter into agreements with CMO for the County to continue to administer promotion and education and provide curbside and depot collections associated with Blue Box Materials, on behalf of CMO, during the transition period, and possibly beyond, provided that mutually agreeable commercial terms can be reached.

Discussion / Options

As outlined in the June 17, 2020 Report 2020-52 'Transition of Blue Box Programs to Full Producer Responsibility', staff feel that it would be in the County's and its residents' best interests for the County to enter into agreements with Producers, to continue to administer and oversee our existing contract to have Blue Box Materials collected from our residents, provided that commercial terms can be mutually agreed to.

The major benefit of doing so is maintaining one interface for residents to have their questions and / or concerns relating to waste collection services addressed. Presently the County

administers a collection contract for the curbside collection of household garbage, green bin food waste, blue and grey box recyclables and leaf & yard waste from the majority of Northumberland County residents (with the exception of the Rural Ward of Port Hope). If / when residents have questions or concerns with any aspect of their waste collection services, they can contact the County directly to have their question / concern dealt with in a prompt manner.

If the County were to opt not to continue to administer the collection of Blue Box Materials, then residents with concerns or questions relating to the collection of their recyclable materials would have to contact a different agency / contractor to have their question or concern dealt with, and the County would have no ability to assist residents with concerns relating to Blue Box Material collection services.

If the County were to opt not to continue to receive Blue Box Materials at its Community Recycling Centers (CRCs), then residents would not have an option, outside of normal curbside collection services, to have their Blue Box Materials disposed of. We do have a large number of seasonal residential properties that do not find the curbside collection services offered by the County to be sufficient to meet their needs. Many are only at their properties on weekends, and therefore cannot place their Blue Box recyclables out for curbside collection, without violating the setout times specified in the County's Waste Management By-law. Many of these residents currently take their Blue Box Materials to one of the County's three CRCs to have it recycled.

If the County were to opt not to continue to provide promotion and education to residents relating to Blue Box recycling services, then it would not receive any financial compensation towards the design and production of its annual Waste & Recycling Collection Calendar. Under this scenario the County would either have to continue to include information on Blue Box recycling in the calendar and simply absorb the added cost, or cease including information relating to Blue Box recycling in the Calendar and require residents to obtain the information they require from alternate sources.

Financial Impact

As noted in Report 2020-52 'Transition of Blue Box Programs to Full Responsibility', the County will realize an approximate net savings in excess of \$2.9 million annually, relating specifically to the transition of the Blue Box Program to Producers.

Given that staff are seeking authorization for the CAO (or her designate(s)) to negotiate and execute agreements relating to the above-noted Blue Box services, the exact financial terms of the agreements cannot be shared at this time.

With that said, if the County enters into agreements with CMO to administer promotion and education and provide curbside and depot collections associated with Blue Box Materials, it would be seeking compensation from CMO that would cover the County's full costs of providing the services, including administrative costs.

Member Municipality Impacts

As part of the transition to full producer responsibility, the Province has indicated that residents should receive the same, or improved, access to recycling services in the future.

If the County continues to administer promotion and education and provide curbside and depot collections associated with Blue Box Materials, on behalf of CMO, during the transition period there should be no change or impact to Member Municipalities.

The residents of the Rural Ward of the Municipality of Port Hope do not receive curbside collection services for Blue Box Materials from the County. The Municipality of Port Hope owns and operates a Waste Transfer Station (Hope Transfer Station), which accepts Blue Box Materials specifically from their Rural Ward residents. If the Municipality of Port Hope wishes to receive compensation from CMO for the continued use of the Hope Transfer Station as a drop off location for Blue Box Materials for their Rural Ward residents, they will have to enter into separate negotiations with CMO.

Conclusion / Outcomes

Staff are recommending that Council authorize the Chief Administrative Officer (or her designate(s)) to negotiate and execute agreements with CMO for the County to administer promotion and education and provide curbside and depot collections associated with Blue Box Materials, on behalf of CMO, during the transition period for the Blue Box Program to full producer responsibility, provided that mutually agreeable commercial terms can be reached.

Attachments

N/A