

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 23, 2019

Item 11, Report No. 29, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on October 23, 2019.

11. BLUE BOX RECYCLING PROGRAM UPDATE

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management dated October 7, 2019:

Recommendations

1. That this report be received for information.

Committee of the Whole (1) Report

DATE: Monday, October 07, 2019

WARD(S): ALL

TITLE: BLUE BOX RECYCLING PROGRAM UPDATE

FROM:

Zoran Postic, Deputy City Manager, Public Works

ACTION: FOR INFORMATION

Purpose

The provincial government has provided a phased timeline for the private sector to become responsible for the blue box recycling program, with some municipalities transitioning their program as soon as January 1, 2023, and all municipalities transitioning by Dec. 31, 2025. Until that time, the City will continue to have legislated responsibility for recycling collection and requires a strategy to address rising contamination rates in the blue box.

Report Highlights

- Blue box recycling will become the responsibility of the private sector, and the first group of municipalities will transfer responsibility of their programs starting January 1, 2023 with full transition completed by Dec. 31, 2025.
- Until that time, the City will continue to collect recycling, and requires a strategy to address rising contamination rates in the blue box.

Recommendation

1. That this report be received for information.

Background

The provincial Minister of Environment, Conservation and Parks announced the transition of Ontario's Blue Box Program to full producer responsibility, with the

first group of municipalities transferring the responsibility for their programs to the private sector starting January 1, 2023.

On August 15, 2019, Minister Yurek, in a joint announcement with Steve Clark, Minister of Municipal Affairs and Housing, issued direction to Stewardship Ontario and the Resource Productivity and Recovery Authority (RPRA) to begin the transition of Ontario's Blue Box Program to full producer responsibility. The letter to Stewardship Ontario is included as an attachment.

This transfer of responsibility will provide savings to our residents and should incentivize the private sector to produce more easily recyclable packaging as they assume responsibility for managing their packaging waste. The direction letter to Stewardship Ontario confirmed the following:

- Stewardship Ontario will submit a plan for the wind up of the current funding program to the Authority by June 30, 2020;
- The Plan must be developed with meaningful consultation and transparent communications with impacted stakeholders and the public;
- RPRA shall approve the plan, no later than December 31, 2020;
- The first group of municipalities will transfer responsibility of their programs to the private sector starting January 1, 2023;
- Full transition will be completed by December 31, 2025.

December 31, 2025 aligns with the end date of the City's current waste collection contract. Until December 31, 2025, the City will remain eligible to receive 50 percent funding for designated costs for Blue Box recycling collection, approximately \$1.2 million annually. Once municipalities transfer responsibility for Blue Box services to the private sector representatives, they will no longer be eligible to receive funding from Stewardship Ontario. Producers will assume full responsibility for funding and operations of the Blue Box Program.

For a minimum of three years, the City will continue to be responsible for collecting blue box recycling and will be required to address rising contamination rates.

York Region is responsible for processing all blue box materials collected by their municipal partners, and due to a steady increase in non-recyclable materials in the blue box, they have been impacted by loss of revenue, additional maintenance costs, and more system downtime at the Material Recovery Facility (MRF).

Vaughan has the second highest rate of non-recyclable materials being collected in the blue box program.

There are many factors contributing to the increase in blue box contamination. These include the introduction of new non-recyclable product packaging over time, which is confusing to sort, and the addition of new multi-residential buildings to municipal blue box collection services which typically have poor recycling rates and high rates of non-recyclables placed in the blue box. Between 2014 and 2018, York Region audit results show a seven percent increase in non-recyclable materials being collected in the blue box in Vaughan (see Table 1). As shown in Table 2, Vaughan now has the second highest blue box contamination rates among all York Region municipalities.

Table 1: Vaughan Historical Blue Box Contamination Rate Audit Results

| Audit Year | Contamination Rate |
|-------------------|---------------------------|
| 2016/2017 | 18.4% |
| 2014/2015 | 16.4% |
| 2018 | 23.4% |

Table 2: 2018 Blue Box Contamination Rate by Municipality

| Municipality | Contamination Rate |
|------------------------|---------------------------|
| Whitchurch–Stouffville | 9% |
| East Gwillimbury | 12% |
| Newmarket | 13% |
| Georgina | 14% |
| Aurora | 16% |
| King | 19% |
| Richmond Hill | 19% |
| Vaughan | 23% |
| Markham | 31% |

York Region has requested that the lower tier municipalities work to reduce blue box contamination.

York Region has begun monitoring blue box loads delivered to the Earl Turcott Waste Management Facility and sending those that are majority garbage material for disposal. Staff are looking for obvious contamination that cannot be sorted through the MRF such as recyclables in plastic bags, recyclables mixed with food waste, wood, furniture, toys, etc.

Since May 2018, York Region has been meeting with the local municipalities to develop a strategy to reduce garbage collected as recycling. In June 2019, the three largest municipalities, Richmond Hill, Markham and Vaughan, met with York Region to collaborate on next steps, including a common approach to reducing non-recyclables in the blue box.

Previous Reports/Authority

[Waste Legislation Update on Amended Blue Box Program Plan – March 7, 2018](#)

[Waste Legislation and Waste Division Program Update - October 10, 2017](#)

[Waste Free Ontario Legislation Review - Comments from City of Vaughan – February 16, 2016](#)

Analysis and Options

To address blue box contamination in multi-residential buildings, Environmental Services staff will be monitoring and providing feedback to buildings that are setting out recycling that is more than 30 percent garbage materials.

The City services 85 multi-residential buildings, representing over 12,500 dwelling units. In collaboration with our waste collection contractor, we will monitor and identify problem locations by visually inspecting bins with excess garbage material set out as recycling, using a threshold of 30 percent non-recyclables. The inspection results will be shared with the property manager and condominium corporation via letter and information posted in common areas.

Should these locations not show reasonable improvement after two inspections and two rounds of communication, staff will instruct the contractor to leave the bins behind on the third scheduled collection. The condominium corporation can choose to sort the bins to remove the garbage and set out for next collection, or have the bin picked up privately as garbage at the owner's expense. This program will be rolled out over the course of the next twelve months.

To address blue box contamination in single family homes, Environmental Services staff will continue to work with the waste collection contractor to leave behind blue boxes containing garbage materials.

Currently the waste collection contractor services over 86,000 single family homes, and leaves behind blue boxes that contain obvious waste materials including Styrofoam, toys, hangers, etc. The contractor uses stickers that indicate the reason the bin was left behind. Residents often contact Access Vaughan when receiving this feedback and remove the material for the next scheduled collection. Environmental Services staff will work with the contractor to ensure this program is implemented consistently to address

blue box contamination. As well, outreach and education will continue to focus on recyclable materials, and how residents can participate effectively and responsibly in the blue box program.

Financial Impact

Adoption of this report will have no financial impact. An additional FTE was approved in 2018 to support the multi-residential waste collection service expansion, and these additional activities will be assumed by existing staff. As the City of Vaughan complies with the Waste Free Ontario Act, financial impacts will be brought forward for Council's consideration as part of future budget processes.

Broader Regional Impacts/Considerations

By addressing blue box contamination at the local municipal level, we will contribute to cost avoidance for York Region waste processing. When the blue box program transitions to full producer responsibility, we also anticipate that residents, contractors, and municipalities that choose to remain service providers, will be required to produce lower contamination rates at the curb than are currently being achieved.

Conclusion

Environmental Services staff will continue to participate in any consultation on the Blue Box program transition and update Council on major milestones of the process. Over the next twelve months, Environmental Services will work closely with York Region to monitor and provide feedback to under-performing multi-residential buildings and the waste collection contractor to improve the blue box contamination rate for the City.

For more information, please contact: James Steele, Director, Environmental Services, ext. 6116

Attachment

1. MECP Policy Direction Letter to Stewardship Ontario, August 15, 2019

Prepared by

Kate Dykman, Manager, Solid Waste Management ext. 6309

**Ministry of the Environment,
Conservation and Parks**

Office of the Minister

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**Ministère de l'Environnement,
de la Protection de la nature et des
Parcs**

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August 15, 2019

Mr. John Coyne
Chair
Stewardship Ontario
1 St Clair Ave. West, 7th Floor
Toronto, ON M4V 1K6

Dear Mr. Coyne:

The Blue Box program has been providing Ontarians with a convenient option for collecting and recycling printed paper and packaging for many years. In recent years, it has become apparent that the growing challenges in delivering and funding the program must be addressed. After hearing from many interested parties, I believe the time has come to modernize and improve Ontario's Blue Box services by transitioning from the existing program that provides industry funding to reimburse a portion of municipalities' costs to a full producer responsibility model where industry will be responsible for both funding and operations. The transition to producer responsibility will ensure Ontarians' experience and access to existing Blue Box services will not be negatively impacted and that there are province-wide services available, including for Northern, rural and Indigenous communities.

As a necessary complementary step to transitioning to a producer responsibility model, pursuant to Section 14 of the Waste Diversion Transition Act, 2016 (WDTA) I am directing Stewardship Ontario (SO), to develop a plan in respect of the funding program for blue box materials under the WDTA (the SO Program) and for SO itself. SO must submit the plan to the Resource Productivity and Recovery Authority (the Authority) for approval no later than June 30, 2020.

This direction will begin the process by which Ontario will implement a modern, producer-operated system that will provide consistent province-wide recovery of Blue Box materials under the Resource Recovery and Circular Economy Act, 2016, and ensure there is no disruption to Blue Box services.

The development of the plan must be conducted in accordance with this direction as well as the provisions of the WDTA and its regulations, including O. Reg. 357/17.

I am directing that the plan describe a mechanism for determining the steward fees necessary to provide for payments to municipalities and First Nation communities until the time they transfer responsibility for providing Blue Box services to producers. The plan will establish criteria for a three year period in which municipalities and First Nation communities will no longer be eligible to receive funding under the SO Program, starting on January 1, 2023 and ending on December 31, 2025, which is the date that SO Program will end and the new producer responsibility framework will be fully implemented.

It is in the public interest that the plan is consistent with the following principles:

Demonstrate transparent communications and meaningful consultation

- Parties affected by the transition should be consulted and have opportunities for meaningful engagement during the development and implementation of the plan.
- The public, Indigenous peoples and affected stakeholders, including stewards, municipalities and service providers (e.g. collectors, haulers, processors, recycled product manufacturers) will receive transparent and clear communications from SO on a regular basis during development and implementation of the plan.

Support competition and prevent conflict of interest

- The plan shall support competition in, and not adversely affect, Ontario's current and future marketplace for the collection and recovery of paper products and packaging. The plan shall not provide for unfair or preferential treatment of the public or any affected parties, or barrier to competition during or following the transition of the program.
- SO shall take all necessary steps to ensure there is no real, potential or apparent conflict of interest when developing and implementing the plan.
- SO's sharing of data and information to parties other than the Resource Productivity and Recovery Authority (the Authority) must be done through a fair, open and transparent process that does not result in preferential treatment of one person or group over another or release of any confidential information.

Demonstrate Fairness to Stewards and Protect Consumers

- The assets, liabilities, rights and obligations of SO related to the SO Program must be dealt with in a fair, open and transparent process in accordance with applicable law.
- All monies held in trust by SO related to the SO Program shall be treated appropriately in accordance with the WDTA and its regulations.

Maintain Program Performance

- There shall be no disruption in payments made by SO to a municipality or First Nation community under the SO Program until the time when that municipality or

First Nation community is no longer eligible to receive funding based on criteria established in the plan.

- Ontarians' access to and experience with the Blue Box program shall not be negatively impacted. It is my expectation that, while allowing for natural growth of Blue Box services to new residential development or redevelopment, municipalities and First Nation communities shall not reduce or expand existing levels of Blue Box services that are eligible for funding under the SO Program.

An addendum to this letter provides specific direction related to the details that SO must include in its plan for the SO Program and for SO.

The implementation of the plan shall begin on the date on which the Authority approves the plan. It is my expectation that the Authority will approve the plan no later than December 31, 2020.

It is expected that SO will engage and work cooperatively with the Authority in implementing any policy direction issued to the Authority pursuant to Section 29 of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA). This includes ensuring that real, potential or apparent conflict of interest concerns have been addressed prior to and during the development of the plan.

If it is in the public interest to do so, I will provide further direction or clarification at a later date related to the matters set out in this direction.

Lastly, SO shall make publicly available on SO's website this direction letter, as well as the complementary policy direction letter issued to the Authority.

Sincerely,

Jeff Yurek
Minister

c: Mr. Serge Imbrogno, Deputy Minister, Ministry of the Environment, Conservation and Parks
Ms. Glenda Gies, Chair, Resource Productivity and Recovery Authority

Addendum to the Minister's Direction Letter for the Blue Box Waste Diversion Program and Stewardship Ontario

Stewardship Ontario (SO) is directed to develop a plan for the funding program for blue box materials (the SO Program) under the Waste Diversion Transition Act, 2016 (WDTA) and for SO itself that includes the following:

- A description of the designated wastes that are covered in the Blue Box program.
- A description of how the SO Program will be operated while the plan is being implemented, acknowledging the following:
 - The funding for municipalities and First Nation communities to participate in the SO Program shall end over a three-year period between January 1, 2023 and December 31, 2025.
 - SO's role in transferring payments to a municipality or First Nation community under the SO Program shall end on the date that obligated producers have assumed full responsibility for the collection and management of blue box materials from that municipality or First Nations community.
 - The plan shall recognize, and be responsive to, the fact that a future regulation under the *Resource Recovery and Circular Economy Act, 2016* will set the criteria and process by which municipalities and First Nation communities will transfer to full producer responsibility.
 - The calculation of the funds due to be paid to each municipality and First Nation community under the SO Program shall be proportional to the number of months in a calendar year in which the municipality or First Nation community remains under the SO Program.
 - The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025.
- A proposed timeline according to which key aspects of the plan will be implemented.
- A description of and a proposal for dealing with the assets, liabilities, rights and obligations of SO in relation to the SO Program including:
 - All monies held in trust by SO related to the SO Program pursuant to Section 35 of the WDTA.
 - An approach that outlines how SO will deal with any information technology systems related to the SO Program to ensure fair and equitable access to all users, as an alternative to disposing of these assets for fair market value.
 - Any other assets of SO related to the SO Program, including, and without limitation, any intellectual property, physical assets or real property.

- Any liabilities incurred by SO during the development and implementation of the SO Program and anticipated to be incurred during the development and implementation of the plan.
 - A detailed account of anticipated costs arising from the plan, and a detailed account of how SO will finance these costs.
 - A detailed account of how SO proposes to equitably apportion its assets, liabilities, rights and obligations among stewards of Blue Box materials.
 - The plan shall set out a proposal to deal with any residual funds after the SO Program has ended and SO has finished its final financial reconciliations for the program and organization.
- A description of all data and information that is within SO's custody or control and that is related to the operation of the SO Program since the Minister's program request letter of September 23, 2002, and a proposal for transferring all data and information to the Resource Productivity and Recovery Authority (the Authority), including:
 - The process for transferring all the data and information to the Authority within any timeframes specified by the Authority.
 - The data and information that is to be transferred to the Authority, including, but not limited to:
 - A list of all registered stewards, including their business addresses and contact information; the nature of each steward's designation under the WDTA (e.g. whether designated because the steward is a brand holder, a first importer, or other person); the type and amount of Blue Box materials supplied by the steward into the Ontario marketplace; and,
 - Other additional data and information requested by the Authority.
 - Data and information related to the SO Program that is in SO's custody or control shall not be for sale.
- A proposal for identifying confidential or personal data and information and indicating how such data and information will be supplied in confidence when transferring it to the Authority, which will assist the Authority in determining its treatment of such data and information based on applicable law and policies.
- Demonstration and documentation that any party currently having access to SO data and information only retain data that is equivalent to the information that will be shared through a fair, open and transparent process
- The procedures that SO is putting in place to ensure there is no real, potential or apparent conflict of interest in respect of the plan's development, contents or implementation. Without limiting the scope of these procedures, the plan should address:
 - Any real, potential or apparent conflict of interest in respect to SO's relationship with the Canadian Stewardship Services Alliance (CSSA)

- Any necessary steps to ensure that the CSSA does not receive preferential treatment over other potential market participants in respect of Blue Box resource recovery markets that may be created under the RRCEA.
- A description of changes to the SO Program that are anticipated to be necessary to implement the plan.

I am further directing that the plan include the following:

- A detailed report of SO's communications with affected parties and the public during the development of the plan.
- A detailed proposal for a communications plan for all affected parties and the public during the implementation of the plan, if approved, including:
 - The process by which SO will provide information to the affected parties and the public on a regular basis.
 - A description of the key steps that will be taken related to the plan and show how affected parties and the public will be affected by the transition.
- A detailed report of how SO has met the consultation requirements of subsection 14(13) of the WDTA during the development of the plan, including:
 - A list of the stewards, municipalities, Indigenous peoples, service providers and other affected parties that were consulted during the development of the plan.
 - A summary of comments received by SO from affected parties.
 - A report of how the comments were considered by SO in the development of the plan.