



THE REGIONAL MUNICIPALITY OF NIAGARA
PUBLIC WORKS COMMITTEE
FINAL AGENDA

PWC 2-2020

Tuesday, February 11, 2020

9:30 a.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

Pages

1. CALL TO ORDER

2. DISCLOSURES OF PECUNIARY INTEREST

3. PRESENTATIONS

4. DELEGATIONS

4.1 Liquid Biosolids and Residuals Management Program Contract with
Thomas Nutrient Solutions

4.1.1 Greg Marotta, President, Thomas Nutrient Solutions
The delegation submission is attached to this agenda as PWC-
C 7-2020.

3 - 8

5. ITEMS FOR CONSIDERATION

6. CONSENT ITEMS FOR INFORMATION

6.1 PWC-C 9-2020

Niagara Region Liquid Biosolids Management Program Renewal of
Contract Agreement with Thomas Nutrient Solutions - Additional
Information re: Procurement Process

This item had been previously numbered as PW 10-2020.

9 - 12

- 6.2 PWC-C 3-2020 13 - 41
Combined Sewer Overflow Reporting
A presentation will precede discussion of this item.
- 6.3 PWC-C 6-2020 42 - 127
Update on Provincial Initiatives for Extended Producer Responsibility
A presentation will precede discussion of this item.
- 6.4 PWC-C 5-2020 128 - 141
Linking Niagara Transit Committee Endorsement of Niagara Specialized
Transit Study Report

7. OTHER BUSINESS

8. CLOSED SESSION

- 8.1 Confidential PW 11-2020
A Matter Proposed or Pending Acquisition or Disposition of Land by the
Municipality and a Position, Plan, Procedure, Criteria or Instruction to be
Applied to any Negotiations Carried on or to be Carried on by or on
Behalf of the Municipality - Update on Niagara's GO Station
Development Strategy
- 8.2 Confidential Verbal Update
A Matter of Advice that is Subject to Solicitor-Client Privilege - Legal
Advice respecting Niagara Region Liquid Biosolids Management
Program Renewal of Contract Agreement with Thomas Nutrient Solutions

9. BUSINESS ARISING FROM CLOSED SESSION ITEMS

10. NEXT MEETING

The next meeting will be held on Tuesday, March 10, 2020 at 9:30 a.m. in the
Council Chamber, Regional Headquarters.

11. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or
events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376
(cellphone) or accessibility@niagararegion.ca (email).

From: [PF-Mailbox-01](#)
To: [Norio, Ann-Marie](#); [Trennum, Matthew](#)
Subject: FW: Online Form - Request to Speak at a Standing Committee
Date: Thursday, February 06, 2020 8:46:04 AM

From: Niagara Region Website
Sent: Thursday, 06 February 2020 08:45:56 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Online Form - Request to Speak at a Standing Committee

Request to Speak at a Standing Committee

To reply, copy the email address from below and put into 'To'. (if resident entered their email address)

Name

Greg Marotta

Address

8800 Chippawa Creek Rd

City

Niagara Falls

Postal

L2E 6S5

Phone

905-531-9964

Email

gmarotta@thomassolutions.ca

Organization

Thomas Nutrient Solutions

standing committee

Public Works Committee

Presentation Topic

Niagara Liquid Biosolids Contract

Presentation includes slides

No

Previously presented topic

No

Presentation Details

Request to speak at the Feb 11 PW meeting about the January 14 Committee Meeting to clarify about Liquid Biosolids Program item. Attachment to follow for distribution to committee. Thank you, Greg Marotta.

Video Consent

Yes





Regional Clerk

February 4, 2020

Regional Municipality of Niagara
1815 Sir Isaac Brock Way
Thorold, Ontario, L2V 4T7

Dear Chairman and Members of Council,

Re: January 14 Niagara Region Public Works Committee Meeting clarification

Thomas Nutrient Solutions is writing in response to the PW Committee meeting of January 14 for clarification of certain items. We have also included an appendix as an introduction to Thomas Nutrient Solutions.

1. The current contract, which is an agreement already approved and passed by council has language which allows for the 3 years extension that staff were bringing forward. Thomas only agreed to a 3-month extension while approvals and agreement details were to be finalized.
2. The Thomas contract unit price between 2014 and 2019 increased very moderately. In fact, over that time it actually increased less than the CPI. It is noteworthy that in two of the six years of the contract, the Thomas price actually decreased compared to the previous year and Niagara actually paid less.
3. The contractor does not control the volume that is generated and controlled by the Niagara plants. Thomas only gets paid for the volume generated by Niagara on a unit price basis.
4. We have an impeccable record in dealing with Niagara's sophisticated agricultural community and have developed a huge support system with them. We are proud of the many achievements in our work together with Niagara staff over the years, and have focussed on delivering excellent quality service in an environmentally compliant manner to ensure that the storage site is emptied each year and Niagara's Wastewater Treatment Plants operate efficiently and unimpeded in the public interest.

Appendix: Introduction to the Qualifications of Thomas Nutrient Solutions:

Thomas is the incumbent contractor having performed these specific specialized services for Niagara Region for the past six years, since January 2014.

As our base of operations is local and our President, supervisors and staff live in Niagara, we can respond quickly to emergencies. We have worked on a 24/7 basis and responded appropriately several times to emergency call-outs in the middle of the night during sewer and water system failures in Niagara.

Thomas has exceeded all expectations and past results with an objective to provide a final land bank well in excess of the Master Plan requirements. We have created the most successful land bank through relations and improved/innovative performance. Thomas has established a successful program in Niagara whereby often the demand for biosolids far exceeds the supply at certain times of the year. Records will show that we have annually spread more biosolids than have ever been spread before in the history of the program. We have ample lands already licensed in Niagara under the provincial Nutrient Management Act (NMA) Legislation. These relationships have taken a long time to develop with our skilled and professional staff that are closely associated with the local agricultural community. The program is at an historical level, performing like never before for the taxpayers of Niagara.

Extensions to contracts, upon solid performance by the contractor, enable the biosolids management program to continue seamlessly with the multitude of stakeholders required to ensure success. It will minimize disruption in the system, with a new contractor having to develop brand new relationships with farmers, learning about Niagara's intricate operational and safety systems, hiring and teaching new staff, learning strict Standard Operating Procedures (SOPs), understanding the nuances of this technical and sophisticated program and having to rebuild and rebrand all the relationships.

Thomas has a 10+ year history of serving municipalities specifically pertaining to Water, Wastewater, biosolids management and land application. This includes liquid biosolids, dewatered cake and tank cleanouts, site management, site maintenance (snow removal and salt), property maintenance, equipment (farm and transportation), equipment procurement, maintenance and management as well as managing 150+ employees in a safe, efficient and respectful manner.

Thomas has dedicated equipment and multiple systems for Niagara. We are focused on Niagara with staff who live in Niagara, operating equipment specifically designed for Niagara and not used in other programs. We have redundancy in tankers and many spare highway

tractors available for pulling them. We have a large amount of duplicate farm and lagoon equipment. We employ many mechanics and have multiple 24/7 service shops, parts management systems and staff in support of the Niagara Region to do in-field repairs immediately. Thomas has a great service delivery product with extensive *other resources* to service Niagara and achieve continued success in Niagara.

Thomas has an environmentally friendly philosophy throughout our organization. From recycling programs in our shops for oil, tires, contaminants, rags and gloves to our offices' Eco-Team which ensures all paper, cardboard, cans, bottles, etc. are recycled. And of course, the business we are in, biosolids land application is all about returning nutrients to the earth and reducing the effects of climate change by preventing the loss of methane to the atmosphere through our specially designed injection systems that incorporate biosolids into the soil immediately. We have aggressively campaigned and educated Niagara residents in and out of the farming community, achieving high results on this contract. All trucks operated by us in Niagara are proudly Canadian, local and are "green" by recycling all oils and fluids.

Biosolids Liquid Haulage: We are experts in the transportation, handling, storage and logistics planning of not only biosolids but also of key by-products and materials of similar high importance. Under our philosophy we deliver added value to the Niagara taxpayers by providing the following:

Increased capital expenditure – We have committed to invest capital in the program, in excess of \$600,000 immediately.

Dedicated equipment for Niagara - Thomas has dedicated equipment exclusively to Niagara. Niagara will always be first in line for service!

Dedicated people for Niagara – We have people that are assigned only to Niagara Region. We have exceeded expectations by opening transportation to regular Saturday service for the first time in Niagara. It is a non-unionized workforce and are available 24/7. Our site manager only focuses on the Region's Garner Road facility. There will be no competing demands.

Expertise in transportation – Thomas has extensive expertise in transportation. As we manage a vast fleet of trucks, pick-ups and vehicles, logistics, operations, safety, maintenance and timely service delivery are second nature to us. All daily circle checks are attended to immediately.

Niagara is #1 –Our equipment and people only work on the Niagara biosolids contract. The product within the tankers will always remain as Niagara's so will not be cross-contaminated with other biosolids on the fields.



Service facilities & mobile response – Our repair and maintenance shop for Niagara is right around the corner, just 6 minutes from the Niagara storage site. Our local presence gives us the capacity to provide service excellence and reliability to Niagara in the biosolids business.

Thomas has worked diligently in a cooperative manner with the agricultural community, Niagara Region staff and the Ontario Ministries of, Agriculture, Food and Rural Affairs as well as Environment, Conservation and Parks. We have modified our specialized equipment and procedures to meet the needs of all stakeholders including the public, with whom we liaise at every site and have developed strong support and confidence within the program. Such investments were made to ensure the long-term sustainability of Niagara's program.

Respectfully Submitted,

Greg Marotta

President,

Thomas Nutrient Solutions

905-545-8808, ext. 7231

905-531-9964

MEMORANDUM

PWC-C 9-2020

Subject: Niagara Region Liquid Biosolids Management Program Renewal of Contract Agreement with Thomas Nutrient Solutions - Additional Information re: Procurement Process

Date: February 11, 2020

To: Public Works Committee

From: Ron Tripp, P.Eng., Acting CAO / Commissioner of Public Works

This memorandum has been prepared in response to questions raised at the January 14, 2020 Public Works Committee meeting through the consideration of Report PW 3-2020. The following motion was carried at that meeting:

*That staff **BE DIRECTED** to initiate a Request for Proposal (RFP) process respecting the loading, haulage/transportation, lagoon management and land application of liquid biosolids and residual solids generated from Niagara Region water and wastewater treatment facilities; and*

*That staff **BE DIRECTED** to extend the agreement with Thomas Nutrient Solutions for biosolids management services (within the existing contract scope) for up to nine months; and*

*That staff **BE DIRECTED** to provide a report to Public Works Committee at the meeting being held on Tuesday, February 11, 2020 respecting the contract with Thomas Nutrient Solutions and the RFP process.*

Recommendation to Negotiate

Staff confirm that the recommendation to negotiate with the current vendor was not improper. The term of the existing three (3) year contractual agreement with Thomas Nutrient Solutions for liquid biosolids and residual solids management services ended on December 31, 2019. This agreement provided a negotiated renewal opportunity for an additional term of one to three years, subject to Council approval. A very important clarification should be made based on the discussion at the January 14 Public Works Committee (PWC) meeting. The referenced agreement did not include an explicit "right to renewal", nor did staff intend to suggest that this was the case to PWC. The following is the clause from the agreement:

"10.2 The Parties may renew this Agreement for an additional term of one (1) to three (3) years upon mutually agreeable terms. At least sixty (60) days prior to

the expiration of the Term of this Agreement, either Party may advise the other Party of its desire to renew this Agreement upon termination and, if the other Party agrees, the Parties shall forthwith commence negotiations. No such negotiations shall be binding upon the Parties until the execution of a separate written agreement between the Parties, duly approved by the authorizing board of both Parties”.

While there was some discussion regarding the source of authority for the opportunity to negotiate, the discussion included interchanged references “right” and “opportunity”. These two terms have very different meanings with respect to a contractual agreement and only opportunity to negotiate is appropriate in the context of this agreement. It was not explicitly clear in the authorizing Report PW 17-2017 if there was an expectation in 2017 to extend beyond 2019. Staff can only confirm that the extension of the original 2013 agreement included the same term that allowed for an opportunity to negotiate a further extension. Ultimately, a decision to extend the agreement for even one year required the approval of Council. It is acknowledged by staff that due to the unsuccessful Request for Pre-Qualification (RFPQ) process, and the timing of the report to Council, Council had no practical choice in January 2020 but to extend the current agreement for a period of time sufficient to undertake a subsequent procurement process.

Timing of Report

The Committee raised questions and concerns regarding the timing of the report and recommendation to PWC. Specifically, the recommendation regarding the agreement for services was being considered after the end of the term of the existing agreement, December 31, 2019. Staff acknowledge that this timing was not desirable and was not what was intended when a procurement process was initiated earlier in 2019. The RFPQ process was not described in PW 3-2020. However, questions arose and there was some discussion regarding the RFPQ during the Committee. It appeared as though there was not a clear and consistent understanding of that RFPQ process and its results based on that discussion. Staff can confirm the following steps were taken:

- May-July 2019 – Public Works and procurement staff worked on the development of a RFPQ document and evaluation process
- August 7, 2019 – 2019-RFPQ-232 issued
- September 5, 2019 – 2019-RFPQ-232 submission deadline, three submissions received

- September 2019 – Public Works staff developed a Request for Tender (RFT) document
- September 2019 – Public Works staff undertook an evaluation process of the RFPQ overseen by Procurement staff for the three proposal submissions
- October 25, 2019 – the RFPQ process was formally cancelled prior to the completion and communicated to all vendors with no evaluation results

There appeared to be confusion with respect to the result of the RFPQ Evaluation process based on the PWC discussion. While the RFPQ was formally cancelled and communicated on October 25, a previous notification was sent to all of the vendors on October 4 indicating that they did not meet the requirements of the prequalification and were not successful. This first notification was sent in error and was later corrected/clarified in the October 25 notification. Notwithstanding the “formal/technical” outcome of the RFPQ, staff can confirm that the evaluation work undertaken through September was anticipated to result in the prequalification of only one vendor for RFT process. As this result would not likely have provided for a competitive RFT bid process, staff cancelled the RFPQ process and initiated steps to negotiate the extension of the existing service agreement. The timing of this outcome was unfortunate as the end of term of that agreement was now within two months. A decision was made to extend the existing agreement for three months in order to undertake discussions with the current vendor and allow for the presentation of a recommendation to PWC/Council. Ultimately, it was the intention of staff to extend the term of the current agreement a sufficient amount of time in order to allow for the analysis of the unsuccessful RFPQ process, the development of a new comprehensive procurement process and the successful completion of a competitive bidding process.

Procurement Next Steps

Further to the direction of PWC at the January 14 meeting, Public Works, procurement and legal staff have conducted a series of meetings in order to debrief the previously unsuccessful RFPQ process, evaluate options for a new process and determine next steps. While this work is on-going, staff have determined that due to both the outcome of the previous process and the need to ensure that there is no risk of potential perceived bias by a vendor, a fairness advisor will be retained to oversee the development and execution of the process. As a matter of practicality, this is the first step in the process and has been recently initiated. Staff have also considered and continue to evaluate the inclusion of industry expertise, in the form of a consultant

and/or municipal peers, to assist in the development and execution of the procurement process.

Extension of Current Contract Term

It was noted in PW 3-2020 that the term of the current agreement was extended by three months to March 31, 2020 within the authority of the CAO. PWC approved an extension of the current agreement for nine months. The recommendation does not indicate whether this nine-month extension commenced January 1, 2020 or April 1, 2020. It should be noted that should the term expire at the end of September, the transition to a new vendor, should that be the outcome, may involve business continuity and operational risks. September and October have historically been the busiest months for land application of biosolids. Additionally, based on the result of 2019 procurement process and in the interest of a successful competitive bid process, staff recommend nine months plus the three previously authorized resulting in a term ending December 31, 2020. Staff seek clarity with respect to PWC's intention and direction on this matter.

Respectfully submitted and signed by,

Ron Tripp, P.Eng.
Acting Chief Administrative Officer /
Commissioner of Public Works

Combined Sewer Overflows

Presentation to Niagara Region Public Works Committee
February 11, 2019

Presentation outline

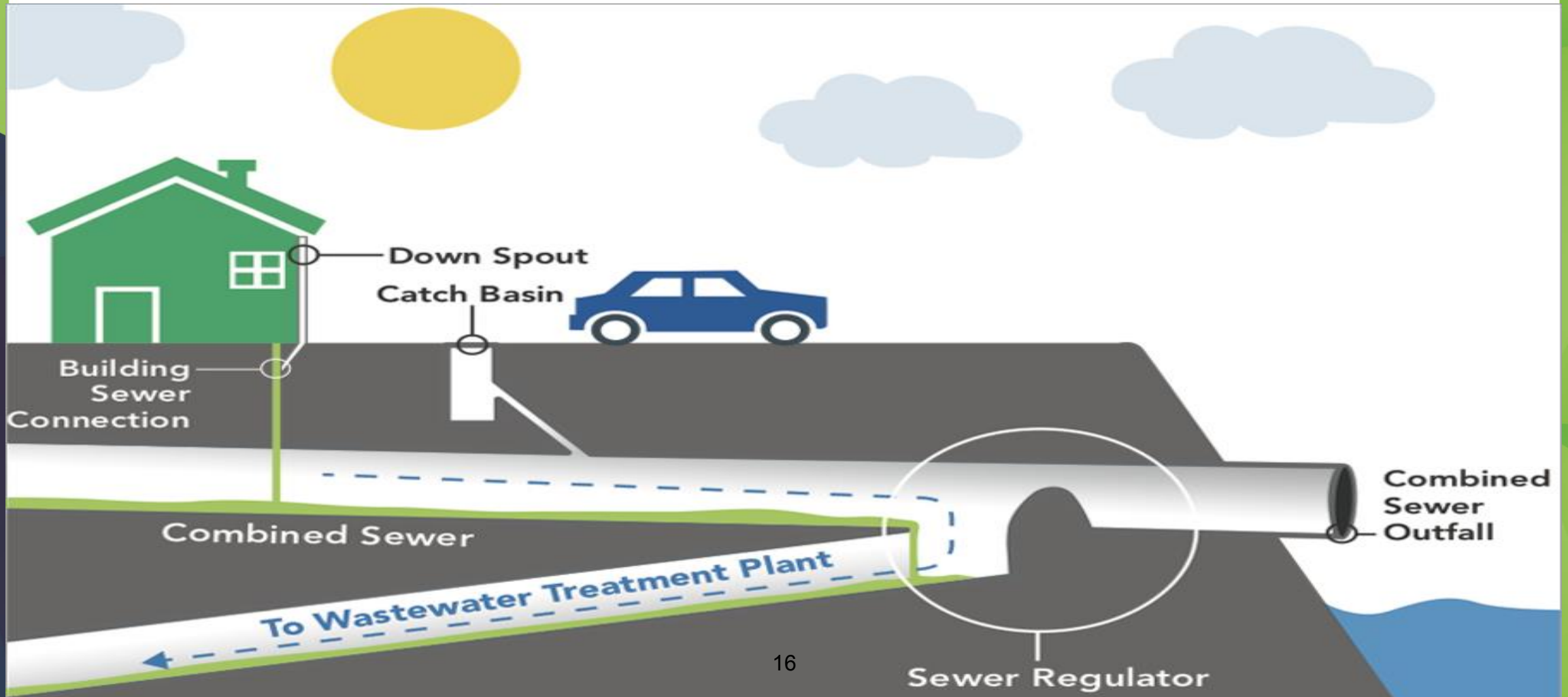
- Definitions
- Combined Sewers
- Impact of Precipitation on overflows and bypasses in Niagara
- Treatment of dry weather and wet weather
- Characteristics of Sewage and Combined Sewage
- Locations of overflows in the WW collection system
- Monitoring of Overflows and Bypasses
- Regulatory Compliance
- Prevention and mitigation strategies (CSO Tanks / High Rate Treatment)
- Questions

Definitions

- Sanitary sewers convey black water and grey water (toilet wastes and domestic wastewater from laundry, showering etc) to our wastewater treatment plants (WWTPs)
- Storm sewers contain stormwater, road drainage etc and convey drainage to water bodies like the canal, Welland and Niagara River, Lake Erie and Lake Ontario etc. No treatment occurs at the end of the pipe.
- Combined Sewer systems were designed to carry both toilet wastes and storm water in a single pipe. When it rains, the stormwater and sanitary sewage in these sewers is called Combined Sewage. Combined sewers are connected to WWTPs.
- CSO-Combined Sewer Overflow-The overflow from a combined sewer during rainfall events.
- CSO Tank – A tank, usually large and underground, designed to hold the volume from a combined sewer during rainfall events.

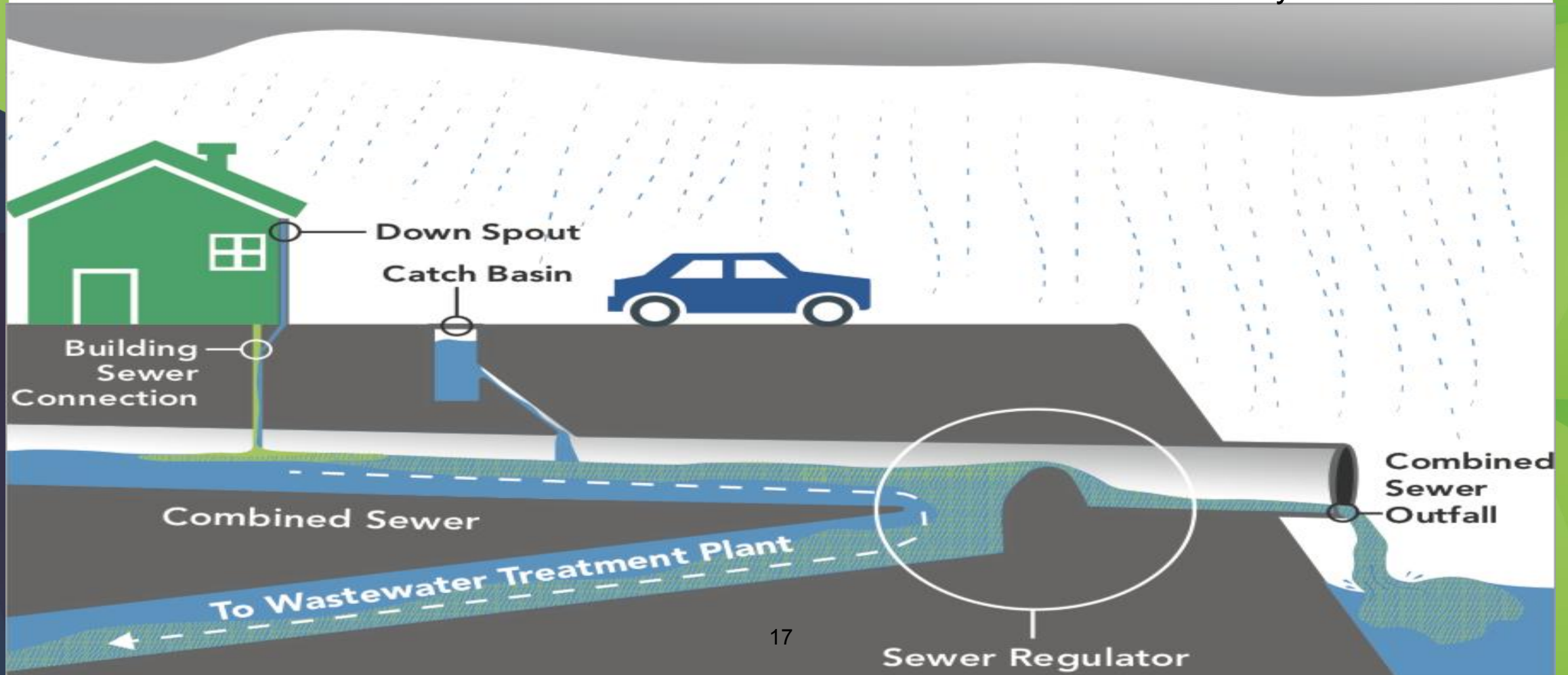
Combined Sewer on a Dry Weather Day

Courtesy NYC-DEP



Combined Sewer – Wet Day- Overflow occurring during rainfall

Courtesy NYC-DEP



Impact of precipitation on bypasses

WWTP	ML Treated		Total ML Bypassed (System and Plant)		Total Precipitation (mm)		Number of Precip Events	
	2016	2017	2016	2017	2016	2017	2016	2017
Queenston	83	86	0	0	519	876	68	46
Stevensville Lagoon	482	597	0	0	768	1,170	83	58
N.O.T.L.	1,445	1,665	0	0	525	851	69	47
Crystal Beach	1,676	2,159	0	1	710	1,009	74	61
Seaway	3,412	4,410	0	18	632	956	77	44
Anger Avenue (Fort Erie)	4,630	5,475	1	72	768	1,170	83	58
Baker Road (Grimsby)	6,238	7,627	21	141	488	871	72	53
Port Weller	10,874	11,713	69	723	492	840	68	46
Port Dalhousie	10,939	12,710	86	572	510	840	68	46
Welland	10,949	12,924	432	1,235	609	1,048	83	52
Niagara Falls	13,444	16,310	107	834	521	876	68	46
Totals	64,171	75,675	716	3,597				
Average / Day	175.81	207.33						

Overflows and Bypasses

WWTP	ML Treated				Total ML Bypassed (System and Plant)				% Flow Bypassed			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Queenston	83	86	72	77	0	0	0	0	0%	0%	0%	0%
Stevensville Lagoon	482	597	610	630	0	0	0	0	0%	0%	0%	0.00%
N.O.T.L.	1,445	1,665	1,711	2,287	0	0	57	61	0%	0%	3.20%	2.60%
Crystal Beach	1,676	2,159	2,144	2,287	0	1	3	0	0%	0.10%	0.10%	0.00%
Seaway	3,412	4,410	4,592	4,909	0	18	38	0	0%	0.40%	0.80%	0.00%
Anger Avenue (Fort Erie)	4,630	5,475	5,338	5,519	1	72	45	34	0%	1.30%	0.80%	0.60%
Baker Road (Grimsby)	6,238	7,627	7,291	7,620	21	141	88	56	0.30%	1.80%	1.20%	0.70%
Port Weller	10,874	11,713	13,462	14,291	69	723	372	321	0.60%	5.80%	2.70%	2.20%
Port Dalhousie	10,939	12,710	12,810	13,367	86	572	403	272	0.80%	4.30%	3.10%	1.90%
Welland	10,949	12,924	12,645	13,531	432	1,235	1,422	1,206	3.80%	8.70%	10.10%	8.20%
Niagara Falls	13,444	16,310	15,144	15,072	107	834	488	373	0.80%	4.90%	3.10%	2.40%
Totals	64,171	75,675	75,816	79,589	716	3,597	2,915	2,323	1.10%	4.50%	3.70%	2.80%

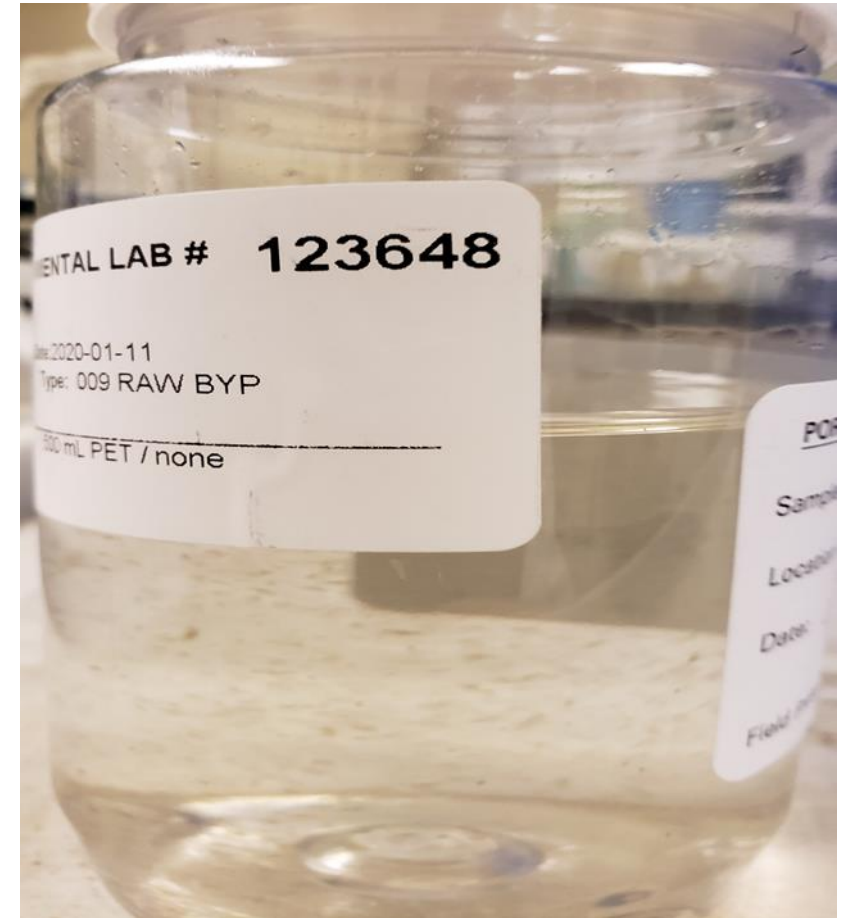
Raw Sewage Characteristics

- Suspended Solids 100 mg/L
- Biochemical Oxygen Demand 100 mg/L



Combined Sewage Characteristics

- Suspended Solids <50 mg/L
- Biochemical Oxygen Demand <25 mg/L

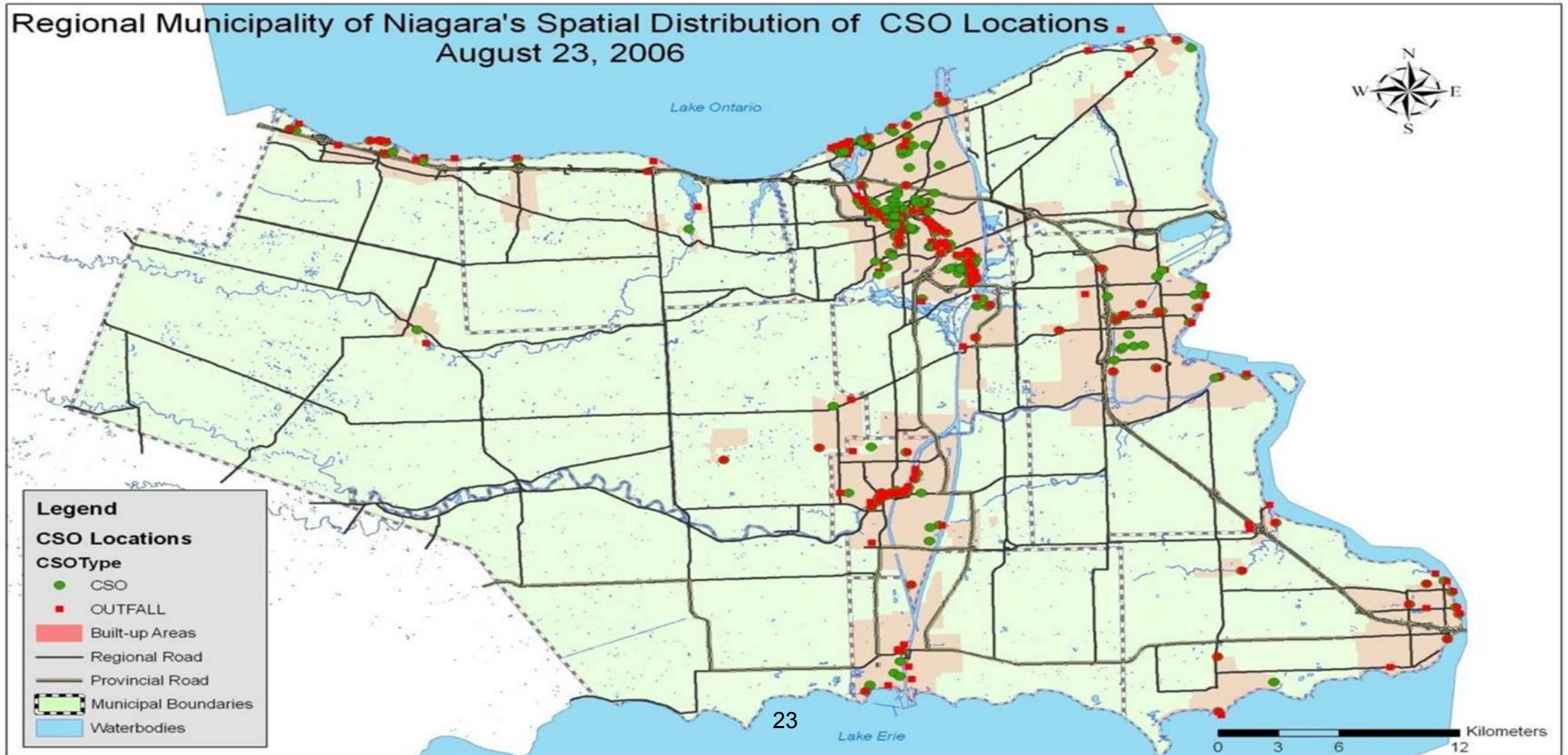


Overflow Locations

Location	Niagara Region	Municipal	Total
Wainfleet	0	0	0
West Lincoln	1	0	1
Pelham	1	1	2
Lincoln	3	0	3
Niagara-on-the-Lake	5	1	6
Port Colborne	7	1	8
Fort Erie	8	4	12
Grimsby	7	5	12
Niagara Falls	10	19	29
Thorold	7	25	32
Welland	2	30	32
St. Catharines	11	121	132
Totals	62	207	269

CSO Locations

Regional Municipality of Niagara's Spatial Distribution of CSO Locations
August 23, 2006



Monitoring of CSOs

- There are approximately 35 locations that routinely bypass and are monitored and sampled by the Region.
- All bypasses at the WWTPs are measured and samples are collected. MECP is contacted at the beginning and end of each bypass event.
- Overflows that occur at Niagara Region sewage pumpstations are also monitored and sampled but in many cases there is no metering equipment available to measure the volume of combined sewage that is bypassed.
- In cases where there is no measuring equipment, the events are reported to the MECP without the volume data. Estimates are made and reported later.

ECA Conditions for bypass

5. BY-PASSES

(1) Any By-pass of sewage from any portion of the Works is prohibited, except where:

(a) it is necessary to avoid loss of life, personal injury, **danger to public health or severe property damage;**

(b) the District Manager agrees that it is necessary for the purpose of carrying out essential maintenance and the District Manager has given prior written acknowledgment of the by-pass ; or

(c) the Regional Director has given prior written acknowledgment of the By-pass .

(2) The Owner shall collect at least one (1) grab sample of the By-pass and have it analyzed for the parameters outlined in Condition 7 using the protocols in Condition 9.

(3) The Owner shall maintain a logbook of all By-pass events which shall include, at a minimum, the time, location, duration, quantity of By-pass , the authority for By-pass pursuant to subsection (1), and the reasons for the occurrence.

(4) The Owner shall, in the event of a By-pass event pursuant to subsection (1), disinfect the by-passed effluent during the disinfection period of April 01 to October 31 prior to reaching the receiver such that the receiver is not negatively impacted.

Compliance with Legislation

- Environmental Compliance Approvals (ECA) for each facility contain conditions when a bypass or overflow is permitted
- Requirements to report to MECP, Environment Canada, Medical Officer of Health
- Publicly reported on Niagara Region Website
- MECP F-5-5 requirements during design of sewage works
- Between April 1 and October 31st, treat all the dry weather flow and 90% of the wet weather flow.
- Niagara meets this requirement all year.

CSO Tanks provide storage during wet weather



CSO Tanks and Volumes

Name	Owner	WW System	Municipality	Volume (m3)
Kelly St CSO Tank	Niagara Region	Welland WWTP	Thorold	200
Biggar Lagoon CSO Tank	Niagara Region	Baker Road WWTP	Grimsby	400
Cole Farm CSO Tank	City of St. Catharines	Port Dalhousie WWTP	St. Catharines	450
Grimsby Works Yard CSO Tank	Niagara Region	Baker Road WWTP	Grimsby	600
Peel St CSO Tank	City of Thorold	Port Weller WWTP	St. Catharines	600
Smithville CSO Tank	Niagara Region	Baker Road WWTP	West Lincoln	665
Eastside SPS	Niagara Region	Seaway WWTP	Port Colborne	700
Lakeside CSO Tank	City of St. Catharines	Port Dalhousie WWTP	St. Catharines	700
Beaver Street CSO Tank	City of Thorold	Port Weller WWTP	Thorold	750
William St CSO Tank	Town of N-O-T-L	NOTL WWTP	NOTL	900
Dain City CSO Tank	Niagara Region	Welland WWTP	Welland	1200
Central High Rate Treatment	City of Niagara Falls	Niagara Falls WWTP	Niagara Falls	1500
Baker Road WWTP	Niagara Region	Baker Road WWTP	Grimsby	2300
Port Dalhousie WWTP	Niagara Region	Port Dalhousie WWTP	St. Catharines	2500
Lockview CSO Tank	City of St. Catharines	Port Weller WWTP	St. Catharines	2750
Anger Avenue WWTP	Niagara Region	Anger Avenue WWTP	Fort Erie	4100
South Side Low Lift CSO Tank	City of Niagara Falls	Niagara Falls WWTP	Niagara Falls	4300
Seaway WWTP	Niagara Region	Seaway WWTP	Port Colborne	5701
Total				30,316

Central SPS & High Rate Treatment Facility in Niagara Falls



Niagara Falls –Central SPS / High Rate Treatment Facility

- Dry Weather Operation



Niagara Falls Central SPS / High Rate Treatment Facility

- During Wet Weather



Niagara Falls Central SPS / High Rate Treatment Facility

- Vortex Units in Operation



Questions??

MEMORANDUM

PWC-C 3-2020

Subject: Combined Sewer Overflow Reporting

Date: February 11, 2020

To: Public Works Committee

From: Jason Oatley, Manager, Quality and Compliance Wastewater

This memo has been prepared in response to the following Councillor Information Request made at Public Works Committee held on December 3, 2019:

Provide information respecting the number of overflows and bypasses which occurred in Regional wastewater systems in 2019. Chair Bradley.

Key Facts:

- Overflows and bypasses occur when the wastewater collection, conveyance and treatment systems capacity is exceeded by wet weather flow and extraneous flow, entering the system during significant rainfall and thaw events.
- Sources of extraneous flow are understood to be originating from both public and private property sources.
- Overflows and bypasses were intentionally designed into the system to protect against sewer backups, basement flooding and to prevent impacts to treatment plant chemistry which can alter the quality of the effluent released to the environment
- Regional and Municipal wastewater systems are, and were, designed to balance affordability of construction and maintenance versus dry and wet weather performance
- Niagara Region operates and maintains 11 Wastewater Treatment Plants (WWTPs), 112 Sewage Pumping stations and 300 km of gravity trunk sewer main and forcemain
- There are approximately 269 locations where overflow and bypasses can occur within the Regional and Municipal wastewater systems
- In 2019, approximately 2,323 million litres of combined sewage was discharged to the environment during significant wet weather and thaw events. This represents approximately 3% of the total wastewater treated. 79,589 million litres, at wastewater treatment plants for 2019.
- The bypass/overflow volumes outlined in this report pertain to those associated with Regional infrastructure. Total overflow volumes for local municipal infrastructure,

typically located at points remote to the WWTP and pump stations within the sanitary collection system, are not readily measurable nor quantifiable. These volumes are not included within the totals in this report.

- The largest volumes of overflow occur as bypasses at Regional treatment plants. The majority of overflow discharged on an annual basis from these facilities receives disinfection prior to release to the environment.
- Niagara Region's latest Water and Wastewater Master Plan Update has specific policies, guidelines and funding directed at the reduction of wet weather flow to the wastewater system to reduce overflows to the environment and basement flooding.
- Niagara Region is working cooperatively to develop, implement and fund strategies to reduce wet weather flow in both municipal and regional wastewater systems.

Background:

Niagara Region operates 11 wastewater treatment plants (WWTPs) in seven municipalities. These plants receive sewage flows from the municipal and regional gravity trunk sewer system and over 112 sewage pumping stations (SPS). The local municipalities own and operated the majority of the sanitary sewer systems.

In general, excess flows that cannot be treated at a WWTP are called "bypasses" while excess flows that escape the collection system are termed "overflows". A sewer designed to convey both stormwater and wastewater is a combined sewer. Sewers that convey only sanitary sewage are considered sanitary sewers. Sanitary systems that receive increased flow during rainfall events but are otherwise separated are considered "partially or nominally separated".

Number of locations where overflows can occur:

Table 1 below is a listing of the number of known bypass and overflow locations by municipality. Generally speaking, overflows can occur at these location under significant rainfall and/or thaw events. The Regional locations in Table 1 include both the WWTPs and pump station overflows whilst the municipal locations are generally associated with the municipal wastewater collection system.

Location	Regional	Municipal	Total
Fort Erie	8	4	12
Grimsby	7	5	12
Lincoln	3	0	3
Niagara Falls	10	19	29
Niagara	5	1	6
Pelham	1	1	2
Port Colborne	7	1	8
St. Catharines	11	121	132
Thorold	7	25	32
Wainfleet	0	0	0
Welland	2	30	32
West Lincoln	1	0	1
Totals	62	207	269

Table 1-CSO and Bypass Locations

What causes the overflows?

Almost all wastewater treatment facilities in Ontario are designed to overflow when their operational capacity is exceeded due to wet weather flow. The primary causes of overflows and bypasses are the introduction of excessive peak wet weather extraneous flows to the systems. Extraneous flows are those flows due to significant wet weather events and /or seasonal high groundwater that exceed the capacity of the collection systems and facilities. WWTP bypasses/overflows are designed to protect the sensitive internal biological and chemical processes that are used to treat the sewage properly. The amount of precipitation, surface run-off and snow thaw has a great impact on the flow within the sanitary sewer system.

For example, the Niagara Falls WWTP is designed to provide both full primary and secondary wastewater treatment for flows up to 135 million litres per day. In addition, the WWTP can provide primary treatment up to approximately 205 million litres per day when needed. Flows higher than 205 million litres per day do not receive any treatment. For this facility, the normal dry-weather flow is typically 35 million litres per day or approximately 25% of the total capacity of the plant. During rain and thaw events, the Niagara Falls WWTP can receive flows up to 5 times that amount due to the rainwater that enters the sanitary sewer system.

Preliminary treatment removes debris and grit from the wastewater entering the WWTP (objects typically greater than 8-10 mm). Primary treatment removes between 40-50% of the suspended solids from the incoming sewage. Secondary treatment removes the organic matter and phosphorus while disinfection reduces the amount of coliform bacteria present in the discharge to the environment.

Review of overflows and bypasses for 2019

Table 2, attached as Appendix 1, shows the overflows and bypasses that have occurred at Regional WWTPs in 2019. The volume of overflows and bypasses added together is 2,323 million litres. The volume of sewage treated at the Region's WWTPs was 79,589 million. Essentially, more than 97% of the flow was treated at our WWTPs while less than 3% escaped full treatment.

Precipitation and rainfall events are given in Table 3, attached as Appendix 2. From the table, 2019 was roughly similar in precipitation to 2018. The volume of bypasses at the plants were also similar.

Why is this problem still occurring?

- Excess flow entering sewers: New developments are built with separate storm and sanitary sewers which collect stormwater and wastewater respectively. When constructed properly the extraneous flow from new infrastructure is minimal. Developments constructed between approximately 1960 to the late 1980's typically have partially separated systems with road drainage being directed to storm sewers. Partially separated systems can however contribute significant extraneous flow to sanitary sewers via private property connections from foundation drains, sump pumps and other sources.
- In older areas, pre 1960's, municipal sewer systems are combined, meaning that stormwater and wastewater are collected by a single sewer. These sewers are most prevalent in St. Catharines, Niagara Falls and Welland and contribute significantly to both bypasses and overflows.
- Aging Infrastructure: Sewers at the Regional and local municipal level are aging and may allow increasing amounts of rainfall and groundwater to enter normally separated sanitary systems. Niagara Region and local municipalities are proactively monitoring and remediating or replacing sanitary sewers to increase their resiliency to these rainfall extremes.
- Unusual Weather / Climate Change: Extreme precipitation events and high lake levels in recent years have increased the load on the sewer systems. These

increased lake levels translate into higher groundwater levels and the ingress of stormwater into systems adjacent to bodies of water and further compounding the problem by further reducing capacity in these systems that results in more frequent overflow events.

What are the Region and local municipalities to do about reduce sewer overflows?

- Planning Infrastructure: Niagara Region in conjunction with our local municipal partners have recently completed Niagara Region's Water and Wastewater Master Servicing Plan Update. This document provides strategic and tactical guidance to both Regional and Local Municipal staff in the management of capacity within water and wastewater systems at both jurisdictional levels. A key driver of the most recent plan is the reduction of overflows to current Ministry of the Environment, Conservation and Parks (MECP) Guidelines and the eventual elimination of overflow of untreated wastewater to the environment.
- Niagara Region's Water and Wastewater Master Servicing Plan Update speaks specifically to the need for the Region and Local Municipalities to work as a team to address wet weather flow and overflows/bypasses. This is addressed within the plan with policy, guidelines and funding aimed at identifying, measuring, prioritizing and removal of these sources in a collaborative manner.
- Several Pollution Prevention and Control Plan (PPCP) studies have been completed, are underway or are scheduled to be completed for most local area municipalities. These studies are aimed specifically at the reduction of overflow/bypasses via the detailed examination of both local municipal and regional wastewater systems in each municipality. The resulting recommendations from these studies form the basis of capital budgets items both at a regional and municipal level.
- Building combined sewer overflow (CSO) tanks and Infrastructure: Niagara Region and local municipalities have constructed CSO tanks that capture over 30 million litres of combined sewage and direct that volume to treatment at the Region's WWTPs.
- A high rate treatment (HRT) facility in Niagara Falls that has given primary treatment to between 40 and 180 million litres per year to combined sewage that formerly was discharged directly to the Niagara River just downstream of the Falls.
- Developing and using hydraulic models for all wastewater systems region-wide to more effectively manage capacity and overflow reduction,

- Creation of dedicated fund for municipalities to address extraneous flows to the wastewater system to improve capacity and reduce overflows.

In addition to the works outlined in the plan at the Regional level our municipal partners are making significant commitments to projects aimed at reducing overflows. Our municipal partners have various programs and policies to identify and remediate private property sources of extraneous flow. Furthermore, the Region and Local Municipalities have planning policies in place to ensure that new subdivisions are properly designed and constructed to minimize the introduction of new sources of wet weather.

CSO tanks and inline storage have been constructed in Niagara Falls, Thorold, St. Catharines, Niagara-on-the-Lake, West Lincoln, Fort Erie, Grimsby and Welland.

In the case of Niagara Falls the Region has awarded over \$16 million to assist in reducing CSO impacts to residents, business and the environment. This commitment by the Region to Niagara Falls is the largest provided to any municipality. For instance, in the village of Chippawa, Niagara Region worked with the City of Niagara Falls to construct a 4,300,000 litre CSO tank to help contain some of the wet weather that comes from the village. This tank has drastically reduced the volume of combined sewage that used to be discharged to the Welland River, and ultimately to the Niagara River and Lake Ontario, during wet weather. Also, another project in Niagara Falls involved the construction of a high rate treatment (HRT) facility that provides partial treatment to thousands of litres of combined sewage instead of allowing this combined sewage to simply spill to the environment

In addition to the works listed above, our municipal partners are making significant commitments to projects aimed at reducing overflows through master servicing plans and pollution prevention and control plans (PPCPs)

Respectfully submitted and signed by,

Jason Oatley, B.Sc., C.Chem.
Manager, Quality and Compliance, Wastewater

Appendix 1 – Table 2: 2016 to 2019 WWTP Overflows
Appendix 2 – Table 3: Precipitation and rainfall events

Appendix 1

WWTP	ML Treated				Total ML Bypassed (System and Plant)				% Flow Bypassed			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Queenston	83	86	72	77	0	0	0	0	0%	0%	0%	0%
Stevensville Lagoon	482	597	610	630	0	0	0	0	0%	0%	0%	0.0%
N.O.T.L.	1,445	1,665	1,711	2,287	0	0	57	61	0%	0%	3.2%	2.6%
Crystal Beach	1,676	2,159	2,144	2,287	0	1	3	0	0%	0.1%	0.1%	0.0%
Seaway	3,412	4,410	4,592	4,909	0	18	38	0	0%	0.4%	0.8%	0.0%
Anger Avenue (Fort Erie)	4,630	5,475	5,338	5,519	1	72	45	34	0%	1.3%	0.8%	0.6%
Baker Road (Grimsby)	6,238	7,627	7,291	7,620	21	141	88	56	0.3%	1.8%	1.2%	0.7%
Port Weller	10,874	11,713	13,462	14,291	69	723	372	321	0.6%	5.8%	2.7%	2.2%
Port Dalhousie	10,939	12,710	12,810	13,367	86	572	403	272	0.8%	4.3%	3.1%	1.9%
Welland	10,949	12,924	12,645	13,531	432	1,235	1,422	1,206	3.8%	8.7%	10.1%	8.2%
Niagara Falls	13,444	16,310	15,144	15,072	107	834	488	373	0.8%	4.9%	3.1%	2.4%
Total	64,171	75,675	75,816	79,589	716	3,597	2,915	2,323	1.1%	4.5%	3.7%	2.8%

Table 2-2016 to 2019 WWTP Overflows

Appendix 2

WWTP	Total Precipitation (mm)				Number of Precip Events			
	2016	2017	2018	2019	2016	2017	2018	2019
Queenston	519	876	670	748	68	46	52	50
Stevensville Lagoon	768	1,170	1,015	943	83	58	57	64
N.O.T.L.	525	851	790	765	69	47	49	45
Crystal Beach	710	1,009	991	808	74	61	61	61
Seaway	632	956	970	917	77	44	58	60
Anger Avenue (Fort Erie)	768	1,170	1,015	943	83	58	57	64
Baker Road (Grimsby)	488	871	722	747	72	53	45	49
Port Weller	492	840	713	758	68	46	49	54
Port Dalhousie	510	840	713	758	68	46	49	54
Welland	609	1,048	802	882	83	52	54	59
Niagara Falls	521	876	670	748	68	46	52	50

Table 3-Precipitation and rainfall events

Update on Transition of the Residential Blue Box Program to Extended Producer Responsibility

Public Works Committee

February 11, 2020

Definitions

- Waste Free Ontario Act (WFO)
 - Resource Recovery and Circular Economy Act, 2016 (RRCEA)
 - Waste Diversion Transition Act (WDTA)
- Extended Producer Responsibility (EPR)
- Resource Productivity and Recovery Authority (RPRA)
- Stewardship Ontario (SO)
- Industry-Funded Organization (IFO)
- Wind-up Plan
- Association of Municipalities of Ontario (AMO)
- Ministry of the Environment, Conservation and Parks (MECP)

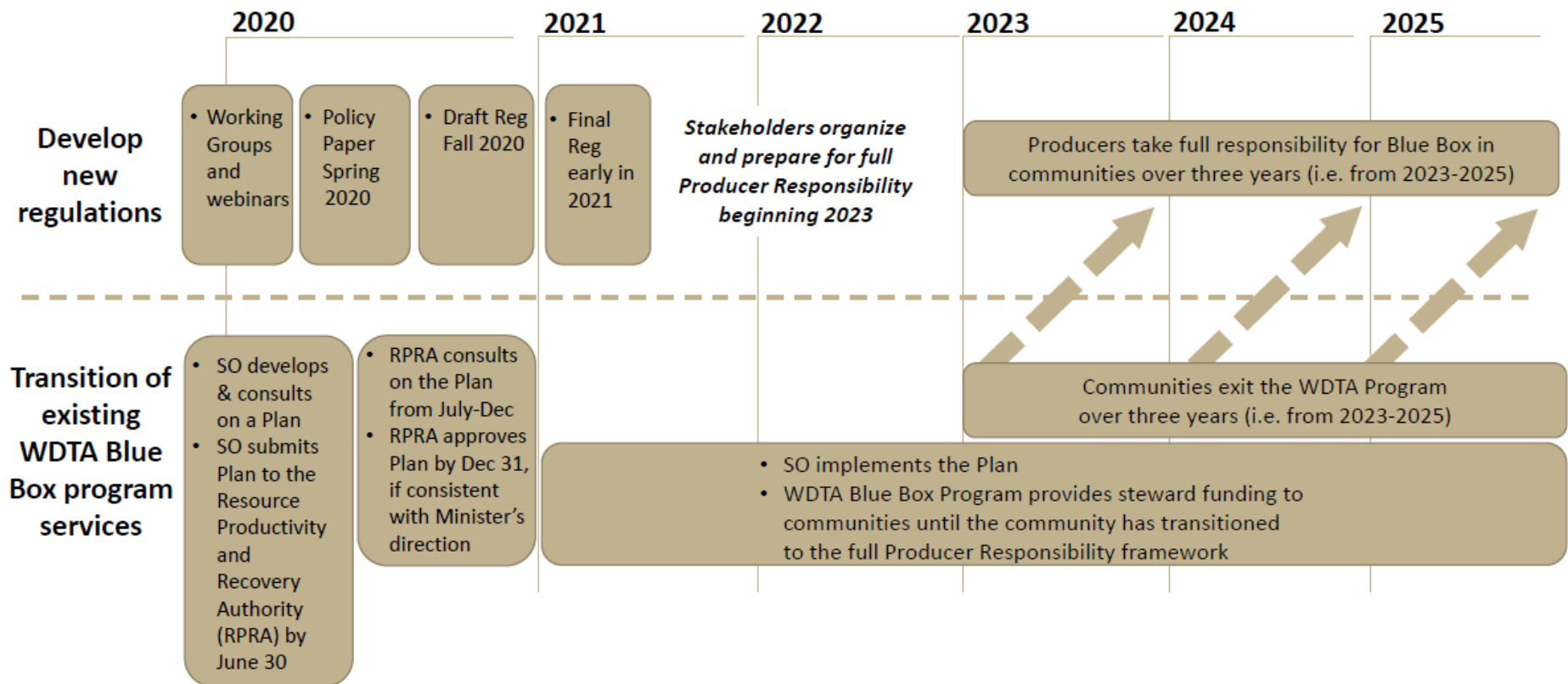
History

- Amended Blue Box Program Plan
- Made-in-Ontario Plan
- Special Advisor's report on Recycling and Plastic Waste
- Direction letter from MECP to SO

Provincial Roadmap

(Excerpted from Provincial Webinar November 27, 2019)

Roadmap to Producer Responsibility for Blue Box



Regulations

MECP will address the following in the new regulation:

1. Definition and scope of designated materials;
2. Collection and accessibility requirements;
3. Management requirements that producers must meet; and
4. Transition approach – criteria to select which communities will transition from the current Blue Box program to the EPR framework under the RRCEA in each of 2023-2025.

Request for Council Resolution

AMO has requested a Council resolution, passed by June 30, 2020, directed to AMO and MECP that specifies:

1. Council's preferred date to transition based on exiting service provision (between January 1, 2023 and December 31, 2025);
2. Rationale for transition date;
3. Whether Council is interested in potentially continuing to provide services (e.g. contract management, collection, haulage processing services etc.) or not; and,
4. Key contacts if there are any follow-up questions.

Blue Box Program Decision Points



1. Timing

What factors influence timing of Niagara's preferred shift date to EPR?

- Method for determining order of transition (dictated to municipalities or self-nomination) and for managing over-subscribed years, in the event that too many municipalities wish to transition at the same time
- Expiration dates of current contracts
- Asset condition and value
- Integrated waste management system
- Potential cost savings with early transition date

What information do we need from the Province?

- Confirmation of method for determining order of transition
- Confirmation of method for determining management of oversubscribed years (if applicable)

2. Niagara Region's Role

What factors influence Niagara Region's decision to bid on collection and haulage, and/or processing of material?

- Existing infrastructure and contracts
- Competition and/or partnerships with the private sector
- Performance standards and targets

What information do we need from the Province?

- Performance standards and targets for collection, haulage and processing

3. Service Levels

What level of service will Niagara Region provide under the new system?

- Some sectors currently serviced by Niagara Region are not expected to be included in the regulations, notably small ICI properties
- Service of any sector not included the regulations would continue to be at full cost to Niagara Region
- There is potential for customer service impact through less tolerance for incorrect set-outs and contamination
- If Niagara Region no longer provides residential Blue Box collection, there may be additional customer impacts (e.g. residential confusion stemming from change in phone numbers/contacts for one material stream).
- Niagara Region will need to decide on the appropriate level of participation with respect to Promotion and Educational material and collection program enforcement

What information do we need from the Province?

- Confirmation of property types to be included in the regulations

Status of RPRA

December 5, 2019: MECP proposed changes to modernize governance, accountability and transparency of Administrative Authorities via the Rebuilding of Consumer Confidence Act

December 29, 2019: MECP approved expansion of RPRA's mandate

January 17, 2020: Article in the Toronto Star regarding loss of RPRA's regulatory powers to investigate industry recycling claims
-no formal announcement forthcoming from RPRA or from the Province to date

MRF Phase 4 Opportunity Review

- Building on Niagara Region's Materials Recovery Facility (MRF) Opportunity Review Phases 1 to 3, the Phase 4 review will develop a recommendation for the preferred ownership structure
- Assessment based on actual market considerations using Negotiated RFP process or another alternative, to determine the best future opportunity for the MRF and minimize the risk of a potentially devalued facility



Questions?

MEMORANDUM

PWC-C 6-2020

Subject: Update on Provincial Initiatives for Extended Producer Responsibility

Date: Tuesday, February 11, 2020

To: Public Works Committee

From: Jennifer Mazurek, Program Manager, Policy, Planning & Engagement

This memorandum provides an update on Provincial Initiatives to support the Waste Free Ontario Act, 2016 (WFO) which is comprised of the Resource Recovery and Circular Economy Act, 2016 (RRCEA) and the Waste Diversion Transition Act (WDTA). Under the RRCEA, the Province is shifting to an Extended Producer Responsibility (EPR) framework for designated material, such as products and packaging (Blue Box material), making producers and brand holders accountable for recovering resources and reducing waste associated with their products. The WDTA allows for the designated materials managed under existing waste diversion programs to be transitioned to the new EPR framework.

Of particular importance, the timing and upcoming decision points that will need to be considered by Council regarding the transition of the residential Blue Box program to EPR are described in this memorandum.

Background

The WFO drives Ontario toward a circular economy, with the aim to eliminate waste throughout the lifecycles of designated materials, and maintain the value of products and materials for as long as possible. This keeps resources within the economy and minimizes waste. EPR is a key part of a circular economy, as design considerations become more important when producers are required to consider end of life management of products and packaging.

Via the WDTA, Resource Productivity and Recovery Authority (RPRA) oversees three waste diversion programs: Blue Box, Municipal Hazardous or Special Waste (MHSW) and Waste Electrical and Electronic Equipment, hereafter referred to as Electrical and Electronic Equipment (EEE). RPRA was established in 2016, with authority under the RRCEA to enforce EPR. Tires have already shifted to an EPR system under the RRCEA, with RPRA as the authority that enforces compliance and manages program-related data. In the case of the residential Blue Box program, the Waste Diversion Act, 2002, established the current 50/50 cost-sharing model for producers and municipalities, under which municipalities are reimbursed for approximately 50% of net costs. Under this cost-sharing model, Stewardship Ontario (SO) manages the funds that producers provide to Ontario municipalities for the operation of the Blue Box program,

and is accountable to RPRA. SO is a not-for profit organization funded and governed by industry stewards, who are the brand owners, first importers or franchisors of the products and packaging materials.

SO also produced a wind-up plan to transition to full EPR for MHSW and will be issuing one for Blue Box, while Ontario Tire Stewardship (OTS), an Industry-Funded Organization (IFO) under SO, was responsible for the wind-up plan for tires. Ontario Electronic Stewardship (OES), another IFO under SO, was responsible for the wind-up plan for EEE and batteries. The wind-up plans are developed for the existing diversion programs, via the WDTA, to ensure there is no disruption to services for residents in the lead up to transition (e.g. continued operation of collection sites, continued compensation for municipalities, etc.), while at the same time ensuring activities associated with the existing programs are wound up properly (e.g. disbursement of excess funds, wrap up of service provider contracts, etc.). Development of the plans and the associated approval by RPRA ensures stakeholder consultation is incorporated, while defining SO's assets, liabilities, rights and obligations in relation to the existing programs.

A key action item in the Province's Made-in-Ontario Plan, released on November 29, 2018, specifically refers to and reinforced the Province's position on EPR: "Make producers responsible for the waste generated from their products and packaging" (<https://prod-environmental-registry.s3.amazonaws.com/2018-11/EnvironmentPlan.pdf>). Committee was informed of this plan in WMPSC-C 9-2019. The plan included a focus on reducing litter and waste and keeping our land and soil clean. A discussion paper titled "Reducing Litter and Waste in Our Communities" was released on March 6, 2019, offering the following commitments:

- Reducing and diverting food and organic waste from households and businesses;
- Reducing plastic waste;
- Reducing litter in our neighbourhoods and parks;
- Increasing opportunities for the people of Ontario to participate in waste reduction efforts.

Blue Box

A transition for the Blue Box program was first proposed in Ontario's Strategy for a Waste-Free Ontario in February 2017, with commencement of the EPR slated for 2023, and for which SO submitted their amended Blue Box Program Plan. This plan was not submitted to or approved by RPRA but did lay groundwork for future discussions. The Province has now defined timelines for the transition of the residential Blue Box program, which are outlined below.

Key Recommendations of Special Advisor's Report on Recycling and Plastic Waste

On June 6, 2019, David Lindsay was appointed Special Advisor on Recycling and Plastic Waste, and designated with the responsibility of producing a report outlining how the Province should transition the residential Blue Box program to EPR. The report was released on August 6, 2019 and provides recommendations about timelines for transition, materials, targets, and collection requirements. The report is discussed in more detail in WMPSC 32-2019 but key recommendations are as follows:

- A six-year transition period from 2019 through 2025 that includes a one to one-and-a-half-year period for consultation and regulation development and a two-year period for producer preparation, followed by a phased three-year period from 2023 to 2025 for transfer of responsibility from municipalities to producers;
- Flexibility for producers through both continuation of Blue Box collection and allowing for collection of some packaging through other methods;
- Establishment of specific targets that progressively increase over time, for different types of printed paper and packaging material;
- As producers assume responsibility, collection must be provided to every low-density residential property and similar location that had previously received municipal Blue Box service. There will be no expansion of services during the transition period and afterward, collection should expand in multi-residential properties, parks and public spaces, but would not include Industrial, Commercial and Institutional (ICI) properties. Rather, the province should modernize the regulatory framework for ICI properties to improve diversion rates and better align with materials recycled through the Blue Box Program.

Provincial Timelines and Actions Related to the Transition of the Blue Box Program

On August 15, 2019, the Ministry of Environment and Climate Protection (MECP) issued a direction letter, instructing SO to develop a plan to outline how the current program will operate during the three-year transition period. This plan is due to RPRA no later than June 30, 2020 and RPRA must approve the plan, if it is consistent with the Minister's transition direction, no later than December 31, 2020.

On November 27, 2019, MECP hosted a webinar, titled "Developing Producer Responsibility Regulation for Blue Box" (Appendix A), to provide stakeholders with information about the Province's next steps. A key next step in the process is the development of the new Blue Box regulations under the RRCEA. Niagara Region is a member of the Municipal Working Group that will be providing input into the regulations. Separate Stakeholder Working Groups also exist for both Producers and a Circular Economy (includes manufacturers of unbranded packaging and products, waste management services providers that haul and process Blue Box materials, and industries that receive processed Blue Box materials and use it for feedstock in new products). The regulations will define outcomes in key areas including:

1. A hierarchy of producers that are responsible for meeting outcomes;
2. Materials to be collected;
3. Collection and management requirements; and
4. Registration and reporting (overseen by RPRA).

Specific timelines were confirmed by the MECP, consistent with those recommended in the Special Advisor's report:

Timelines specific to new regulations:

- 2019 - 2020 – Draft Regulations
- 2021 – Approval of Regulations
- 2021 - 2022 – Stakeholders organize and prepare for EPR
- 2023 - 2025 – Producers take full responsibility from communities

Timelines specific to WDTA Blue Box program services:

- 2020 – SO develops plan for transition and submits to RPRA
- 2020 – RPRA approves plan by Dec 31
- 2021 – 2025 – SO implements plan and each community continues to be funded until transition to EPR complete, with all communities complete by the end of 2025

In the spring of 2020, MECP will post a policy paper that describes the proposed details of the new Blue Box system. In the fall of 2020, the draft EPR regulations and potential regulatory amendments will be released. When developing the regulation, MECP will consider:

1. Definition and scope of the designated materials;
2. Collection and accessibility requirements;
3. Management requirements that producers must meet; and
4. Transition approach – criteria to select which communities will transition from the current Blue Box program to the EPR framework under the RRCEA in each of 2023-2025.

The province will also consider defining the responsible producer, registering, reporting and record-keeping requirements, and audit requirements.

Blue Box Program Decision Points

Niagara Region's input into the transition process continues to be important. As noted above, Niagara Region will participate in the Stakeholder Working Group sessions. In 2020, Niagara Region will need to make several important decisions. While no regulations are currently finalized, staff anticipate that Niagara Region will need to communicate the following to the Province:

1. Timing - When the shift to EPR should occur for Niagara residents
 - Methodology has not yet been defined, but staff anticipate that the order of transition will either be dictated to municipalities (based on contract expiry dates, location, economies of scale, etc. as designed by an expert authority), or,

that municipalities will be able to self-nominate (identify preferred year of transition). Self-nomination is preferred by Niagara Region staff to allow for consideration of local priorities and to evaluate system cost implications.

- When identifying a preferred year for transition, considerations will include expiration dates for current contracts, asset condition and value, prescribed method of handling over-subscribed years, and the balance of the integrated waste management system (i.e. how services that Niagara Region continues to provide will integrate with the new Blue Box system).
 - From 2023 to 2025, municipalities that have not yet transitioned will continue to be responsible for 50% of net costs related to collection and haulage, another key factor that will impact Niagara Region's direction.
2. Role - What role, if any, Niagara Region will occupy moving forward with respect to collection and processing
- While no regulations have been released yet, it is expected that municipalities will have the opportunity to bid on the collection, haulage and processing of residential Blue Box materials. A municipality's decision to bid on one or more aspects of the process will be based on a number of factors, including existing infrastructure and contracts. Municipalities may have the opportunity to bid on the work in partnership with the private sector or as part of a coalition with other municipalities.
 - Municipalities will be competing with the private sector to provide processing services, leading to the risk of a potentially devalued Material Recovery Facility (MRF) in the event that Niagara Region bids but does not secure a processing contract. Additional information about the status of the MRF review is provided below.
 - Municipalities acting on behalf of Producer Responsibility Organizations (PROs) will need to meet prescribed performance standards, yet to be released, which may influence the decision to bid on services.

3. Service levels for Niagara Region

- The Industrial, Commercial and Institutional (ICI) sector is not expected to be included in the regulations. As noted above, the Special Advisor's report recommends that Blue Box services not be expanded to the ICI sector, but instead that the regulations specific to these properties be strengthened. Niagara Region currently provides curbside service to smaller ICI properties and Council will need to decide if service should continue to be provided for this sector, at full cost to Niagara Region.
- Uncertainties remain regarding inclusion of some types of properties that Niagara Region currently services (e.g. parks, schools, and long-term care facilities.) The Special Advisor's report recommended gradual expansion to collection in Multi-Residential buildings, as well as parks and public spaces where municipalities provide waste collection. These examples encompass property types that Niagara Region and other municipalities currently service. Council may need to decide if service should continue for these sectors not included under the new regulations, at full cost to Niagara Region.
- There is the potential for customer service impact, in that there may be less tolerance for incorrect set-outs and contamination. If Niagara Region no longer provides residential Blue Box collection, there may be additional customer impacts (e.g. residential confusion stemming from change in phone numbers/contacts for one material stream).
- Other considerations include provision of Promotion and Educational material (P&E) and collection program enforcement.

In order to make informed recommendations for the Blue Box transition, Niagara Region staff require details about the regulations from the Province, expected to be forthcoming in the first half of 2020. Staff will bring this information forward to allow Council to decide upon preferred transition date, service levels Niagara Region will offer, and what, if any, services Niagara Region will continue to provide or offer on behalf of the PROs.

MRF Phase 4 Opportunity Review

This review will develop a recommendation for the preferred MRF ownership structure, considering the transition of the residential Blue Box program to EPR. An assessment will be based on actual market considerations using the Negotiated Request for Proposal (NRFP) process, among other possible alternatives, to determine the best future opportunity for the MRF and minimize the risk of a potentially devalued facility.

There are a number of potential transactional options and/or ownership structures which may be considered and will be compared to status quo.

These transaction options will be submitted to Waste Management Planning Steering Committee for input and may include the following:

- outright sale of the property;
- lease transaction;
- a joint venture arrangement for the MRF; or
- other arrangements including but not limited to royalty structures and processing contracts.

A Fairness Advisor has been engaged to be involved throughout the review and the project consultant awarded the RFP for this work is MNP LLP. It is anticipated that a recommendation report will be submitted to Council in late May or early June 2020.

AMO Request for Council Resolution by June 30, 2020

On December 18, 2019, the Association of Municipalities Ontario (AMO) sent a letter (Appendix B) to all Municipal Council and municipal waste administrators with responsibilities related to the provision of Blue Box services, including Niagara Region, requesting a Council resolution, passed by June 30, 2020 and directed to AMO and MECP that specifies:

1. Council's preferred date to transition based on exiting service provision (between January 1, 2023 and December 31, 2025);
2. Rationale for transition date;
3. Whether Council is interested in potentially continuing to provide services (e.g. contract management, collection, haulage processing services etc.) or not; and,
4. Key contacts if there are any follow-up questions.

Importantly, AMO notes in the letter that the stated preference may not be the final determination of Niagara Region's transition date, nor is Niagara Region obligated in any way by the date specified in the resolution.

Tires

Used tires were the first material to transition to an EPR regime. On January 1, 2019, producers assumed responsibility. Each producer registered with a PRO to accept the used tires returned in Ontario, and RPRA assumed responsibility for compliance and management of financial and program reporting requirements related to the new system. Although Niagara Region was not being compensated for the collection of used tires, the Region continued to collect tires at the residential drop-off depots as a service for residents. Niagara Region entered into an agreement with YESS, a PRO, to haul all collected tires. For a number of months, YESS experienced issues with picking up and taking away tires for processing, which resulted in a backlog at Niagara Region's drop-off depots. The cause of the delays was due to YESS not being able to secure tire-processing capacity in the Niagara area. A new agreement with e-Tracks was made and

they have been hauling since June with no issues. Niagara Region collected 139 tonnes of tires from residents in 2018 and 220 tonnes in 2019.

MHSW

Niagara Region currently accepts MHSW at permanent depots year round (Niagara Road 12 Landfill, Humberstone Landfill, Thorold Yard Household Hazardous Waste Drop-off Depot and Bridge Street Residential Drop-Off Depot). The new regulation for the designated waste (other than single-use batteries) under MHSW comes into effect July 1, 2021. Following a presentation by RPRA in October of 2019 (Appendix C), Niagara Region submitted comments regarding the proposed wind-up plan for SO (Appendix D). Until the wind-up date, the program will continue to operate without disruption. On December 20, 2019, the Minister of MECP issued a direction letter to SO and RPRA, clarifying that all residual funds remaining upon completion of the program should be returned to stewards. SO will make revisions to its wind-up plan to address this direction, and it is expected that RPRA will approve the revisions no later than February 29, 2020. On January 8, 2020, SO sent notification that RPRA has approved the MHSW wind-up plan, subject to conditions related to deadline date submissions for stewards to submit adjustments to prior reports (to align with RPRA's data submission requirements), completion of the aforementioned changes related to residual funds and any others that arise related to operational and implementation issues, as well as provision of any information required to assist RPRA. The rules defining reporting and payment obligations by stewards for the period of January 1, 2020 until wind-up of the MHSW program were also approved, and SO will now implement the wind-up plan. At this time, there is no further change or decision point required by Council regarding this material stream.

EEE and Batteries

Niagara Region currently accepts EEE, for recycling at permanent residential drop-off depots year round (Recycling Centre, Niagara Road 12 Landfill, Humberstone Landfill and Bridge Street Residential Drop-Off Depot). OES operates the recycling program for EEE in Ontario under contract, and at no cost to Niagara Region, OES also provides collection service to eligible Multi-Residential properties. Additional details about this program are available in WMPSC-C 20-2016. With respect to single-use batteries, since the pilot in 2012, Niagara Region has also offered an annual one-week curbside battery collection period. In 2019, 7,142 kg of batteries were collected curbside between April 22 to April 26 (WMPSC-C 22-2019).

The Province has directed that EEE must transition to EPR by January 1, 2021. The new regulation for batteries, currently handled as part of the MHSW stream, comes into effect July 1, 2020. As EEE and batteries are often used together, the shift for batteries allows for a coordinated policy approach. Niagara Region provided comments on the

proposed regulations on June 21, 2019 (Appendix E). On September 3, 2019, RPRA approved the OES wind-up plan (with conditions).

Until the wind-up date, the current EEE program will continue to operate without disruption. As of the date of this memo, there is no further information regarding the final regulations and staff are awaiting a detailed update from the Province.

RPRA

On October 28, 2019, the Province proposed the following changes in the mandate of RPRA:

1. Change RPRA's mandate to include digital reporting services, fee setting, and cost recovery for other programs beyond producer responsibility;
2. Allow the ministry to set guidance on fee structures for the programs that RPRA will be providing digital reporting services;
3. Other changes –
 - a. Recover ministry costs more efficiently through a Minister's order;
 - b. Amend the WDTA to allow the transfer of residual surplus funds left at the end of transition, from an IFO to RPRA;
 - c. Permit future regulations that could assign additional duties and powers to RPRA.

Niagara Region submitted comments on November 25, 2019 (Appendix F) and is generally supportive of the move to digital reporting as a means of increasing efficiency and accessibility, and reducing paper waste. With respect to specific program changes, Niagara Region recommends consideration of recycling programs for materials such as shingles, mattresses, carpets, porcelain and concrete. Finally, the continued oversight of new and existing programs by the Province is recommended. On December 29, 2019, the decision to change RPRA's mandate to include digital reporting services through its registry for a wider range of waste and resource recovery programs was posted. To change the mandate, the RRCEA, the Environmental Protection Act (EPA) and WDTA were amended.

On December 6, 2019, the Minister of MECP also informed stakeholders of minor changes proposed to the RRCEA that affect RPRA. The following changes were proposed as part of legislative amendments to modernize the governance, accountability and transparency of the Administrative Authorities overseen by the Ministry of Government and Consumer Services (MGCS), via the Rebuilding of Consumer Confidence Act (the Bill):

1. The Minister can appoint a Chair from among the members of the RPRA Board.
2. The Minister can request disclosure of compensation information from among the RPRA board of directors, officers and employees.

3. The requirement to table RPRA's annual report in the Legislative Assembly has been removed, but RPRA must continue to post the report on their website by the annual deadline of June 1.

These changes will come into effect upon Royal Assent of the proposed Bill.

Green Bin

Although not a material regulated under existing SO programs, Ontario's Food and Organic Waste Framework has an associated Action Plan and Policy Statement to support the circular economy. Food and organic waste from residential and ICI sectors is an important material stream to manage and the Province's direction will impact Niagara Region. The Policy statement came into effect on April 30, 2018, and report WMPSC-C 28-2018 offers a thorough overview of strategic commitments to be taken by the Province to address food and organic waste, and how these actions could impact Niagara Region's programming. For example, the Province has included a ban on food and organic waste from ending up in disposal sites, to be phased in beginning in 2022. Staff are currently awaiting further information on how this ban will be implemented and enforced, but preliminary investigations regarding capacity and cost have been completed.

As of the date of this memo, there has been no further information released regarding action items or next steps for municipalities, and staff are awaiting an update from the Province.

Next Steps

Staff will advise Council accordingly if funding models change for any of our current collection programs with the transition to EPR. Staff will also continue to be active participants in future consultations by the Province on related guides and regulations, and to report back to Committee with updates on all programs.

Respectfully submitted and signed by

Jennifer Mazurek,
Acting Waste Management Program Manager

Appendices

Appendix A MECP Webinar Presentation: Developing Producer Responsibility Regulations for Blue Box

Appendix B Letter from AMO to Municipal Councils

- Appendix C RPRA Consultation: Municipal Hazardous or Special Waste (MHSW) Program Wind-Up Plan
- Appendix D Niagara Region Comments on RPRA Consultation on the MHSW Wind-Up Plan
- Appendix E Niagara Region Comments on Regulation for Recycling of Electrical and Electronic Equipment (EEE) and Batteries (EBR Registry Number: 019-0048)
- Appendix F Niagara Region Comments on ERO 019-0671 Changing the Mandate of the Resource Productivity and Recovery Authority

Developing Producer Responsibility Regulations for Blue Box

Webinar Presentation

November 2019

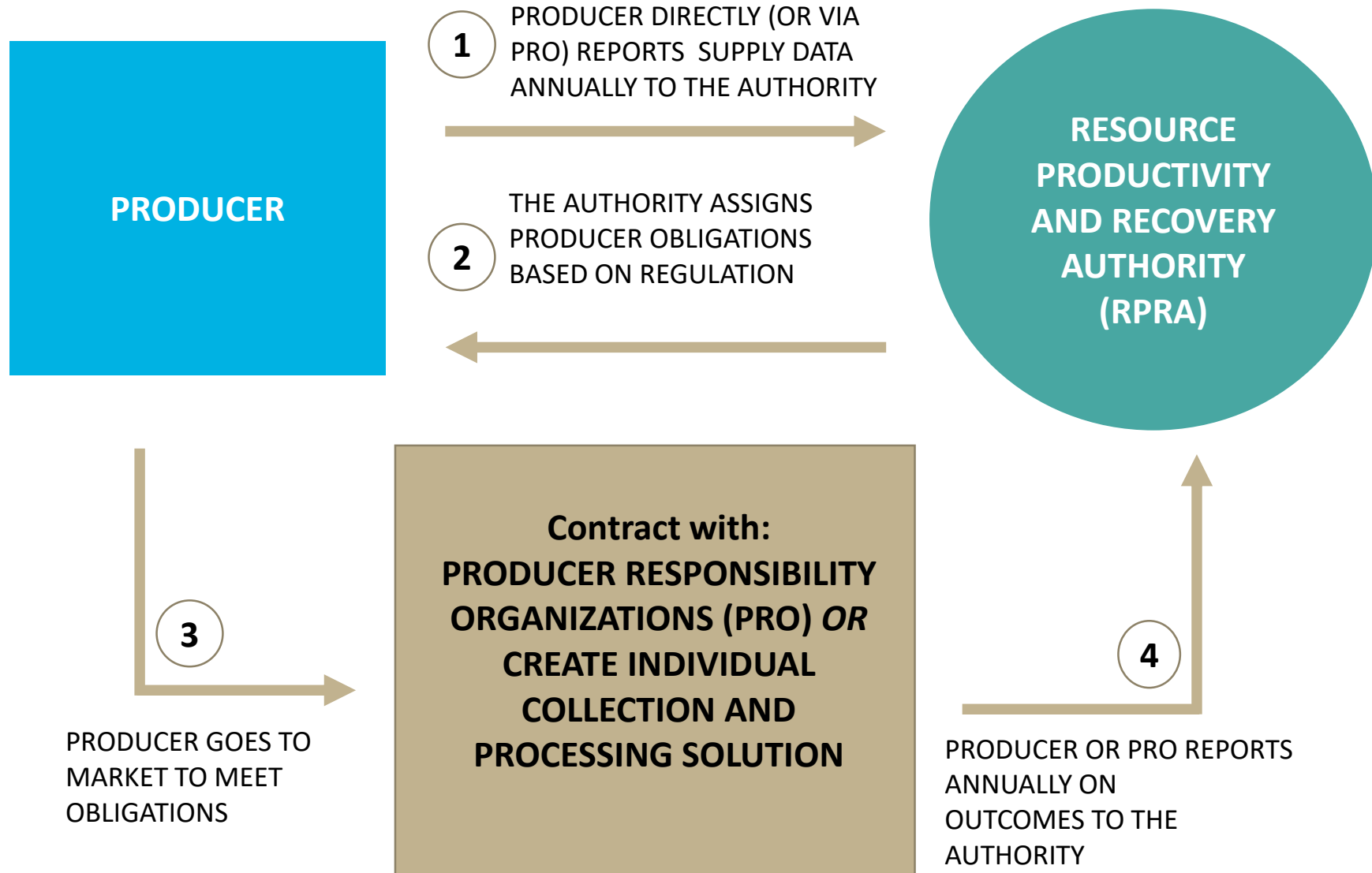
Improving the Blue Box – How Did We Get Here?

- Ontario recognizes the need to improve diversion, reduce plastic waste, and tackle litter.
- The draft Made-in-Ontario Environment Plan commits to transition Ontario's recycling programs to a new Producer Responsibility approach. Key elements include:
 - Outcomes-based regulations to reduce burden
 - Flexibility and innovation to meet requirements in the market
 - Improved oversight to verify diversion outcomes
 - Seamless transition for consumers and citizens
- On June 6, 2019, Mr. David Lindsay was engaged as a Special Advisor to engage with key parties and provide the government with recommendations on how to move forward with producer responsibility for Ontario's Blue Box services.
 - Mr. Lindsay met stakeholders from June-July, and delivered his final report on July 20, 2019.
 - The report outlined recommendations regarding materials, targets, collection requirements – but most critically, timing.

Current Status of the Blue Box

- On August 15, 2019, the Minister directed Stewardship Ontario to develop a plan under section 14 of the *Waste Diversion Transition Act, 2016* (WDTA), that aligns with Mr. Lindsay's recommended timing.
 - SO must consult stakeholders and submit a plan to the Resource Productivity and Recovery Authority by June 30, 2020.
 - The Authority is expected to approve this plan by December 31, 2020, if it is consistent with the Minister's transition direction.
- The next step is to develop new Blue Box regulations under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA).
 - In developing the regulations, the ministry will invite stakeholders to participate in Working Groups. These groups will provide the ministry with a diverse and balanced range of perspectives, including from industry, municipalities and service providers.
 - The contributions of these Working Groups will inform further public consultations on the proposed policy and regulations.

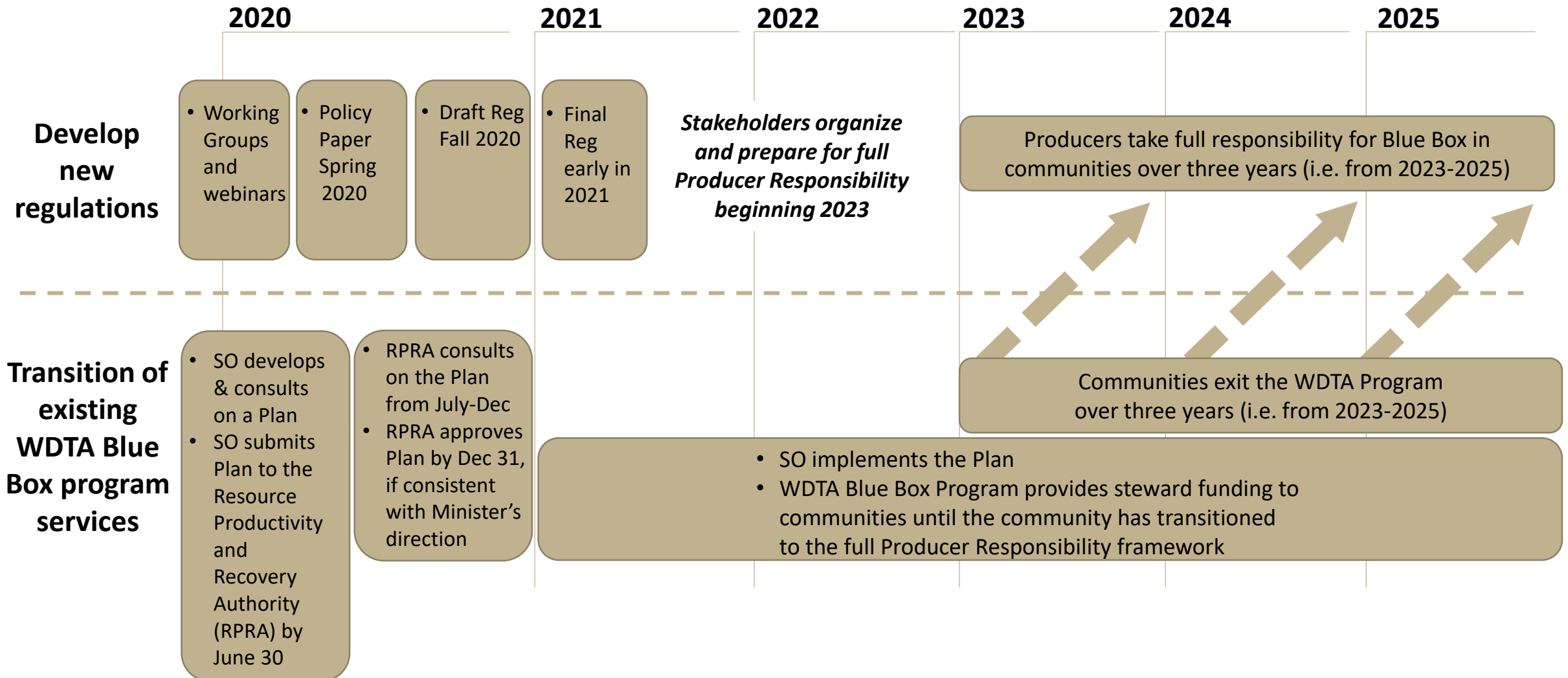
Overview of Ontario's New Approach



Key Elements of an EPR Regulation

- Regulations under the *Resource Recovery and Circular Economy Act* (RRCEA) replace government-approved stewardship plans
- Regulates outcomes in key areas, including:
 1. A hierarchy of producers that are responsible for meeting outcomes
 2. Materials to be collected
 3. Collection and management requirements
 4. Registration and reporting
- Authority provides oversight, compliance and enforcement
- Regulated parties register with the Authority and have some reporting and record-keeping requirements

Roadmap to Producer Responsibility for Blue Box



Stakeholder Working Groups

- The ministry is proposing to establish three Working Groups to accommodate stakeholders' input into the regulations:
 - A **Producer** group including representation from large brand holders and producer associations, and retail, restaurant, grocery sectors.
 - A **Municipal** group including representation from urban, rural, and all geographic regions across Ontario as well as associations for municipalities and managers of multi-residential buildings.
 - A **Circular Economy** group including manufacturers of unbranded packaging and products, waste management service providers which haul and process Blue Box materials, and industries that receive processed Blue Box materials and use it for feedstock in new products.
- Working groups are a forum for participating stakeholders to provide information and technical advice to inform the ministry's initial policy development.
- Membership on the working groups is intended to provide the ministry with input from a broad cross-section of engaged stakeholders while keeping the group sizes manageable.
- The ministry will work also with **First Nations and Indigenous communities** to receive their input and feedback during this process.

Engagement Beyond the Working Groups

- As there is a high level of interest related to Blue Box transition, it is not possible to engage all interested stakeholders via Working Groups, but it is important that all stakeholders have opportunities to provide input to the Ministry.
- Three series of **webinars** will be held at each milestone of regulatory development to allow all stakeholders to provide feedback:
 - **November 27/28, 2019** – at the launch of the regulatory development process
 - **Spring 2020** – with the release of a policy paper that describes the proposed regulatory system
 - **Fall 2020** – with the posting of draft regulations on the Environmental and Regulatory Registries
- Between these webinars, stakeholders who are interested in the Working Groups' discussions should contact their representative associations to receive updates and provide input on the discussion topics.
- The Ministry will post two documents on the Environmental and Regulatory registries for your review and comment:
 - **Spring 2020** – policy paper that will describe the proposed details of the new Blue Box system
 - **Fall 2020** – draft producer responsibility regulations and potential regulatory amendments.

Key Considerations

Development of the regulation for Blue Box materials will be a complex task. To provide the needed information, the ministry will consider four initial key areas as it develops its Blue Box policy:

1. Definition and scope of the designated materials, e.g.:

- What products and/or packaging materials must be managed? (e.g., convenience, transport and primary/secondary packaging; single-use plastic and paper products)?
- How should material categories be set?; Should categories help discern between highly-recyclable and poor performing materials, and should there be a few broad categories or long lists of materials?
- What factors should be considered making changes to designated materials or material categories? What information exists, and how can it be transparently shared, to substantiate any decisions on changes?
- Are there materials which could have obligations outside the Blue Box common collection system? (e.g., compostable packaging, or packaging managed through deposit return, take-back or green bin programs such as coffee pods)

2. Collection and accessibility requirements, e.g.:

- What sources must be collected from?
- What should be the minimum standard level of service in communities?
- What standards should be required for collection bins?

Key Considerations (2)

3. **Management requirements** that producers must meet, e.g.:
 - What would be appropriate targets for highly-recyclable materials and poor-performing materials?
 - What should count towards diversion? (e.g., reuse; recycled and used in making new products; used as aggregate)
 - How to reduce residual materials sent to landfill? (e.g. energy recovery when all other options are exhausted)
 - What recycling standards or other requirements should be required by regulation to ensure recycling facilities can process materials at a satisfactory level?
 - How can the regulation recognize, encourage, or require waste reduction? (e.g., recycled content; recyclability; refillable containers; etc.)
4. **Transition approach** – what criteria should be used to select which communities will transition from the current Blue Box program to the new producer responsibility framework under the RRCEA in each of 2023-2025?
 - In addition to these key areas, the ministry will also consider:
 - Defining the responsible producer
 - Registering, reporting and record-keeping requirements
 - Audit requirements

Next Steps

- The next webinar will be planned for Spring 2020 to coincide with the release of the Blue Box Policy Paper for public comment.
- Further questions can be directed to the Resource Recovery Policy Branch at RRPB.mail@ontario.ca

Appendices

Invited Working Group Members – Producer, Municipal groups

Producers (15 total)

- Amazon Canada
- Canadian Beverage Association
- Canadian Federation of Independent Business
- Canadian Federation of Independent Grocers
- Canadian Tire
- Coca-Cola
- Food and Consumer Products of Canada
- Loblaw
- Magazines Canada
- News Media Canada
- Procter & Gamble
- Restaurants Canada
- Retail Council of Canada
- Unilever Canada
- Wal-Mart

Municipalities (28 total)

- Association of Municipalities of Ontario
- Association of Condominium Managers of Ontario
- City of Cornwall
- City of Hamilton
- City of London
- City of North Bay
- City of Ottawa
- City of Sarnia
- City of Sault Ste. Marie
- City of St. Thomas
- City of Thunder Bay
- City of Toronto
- City of Woodstock
- District Municipality of Muskoka
- Durham Region
- Essex-Windsor Solid Waste Authority
- Federation of Northern Ontario Municipalities
- Halton Region
- Lambton County
- Municipality of Chatham-Kent
- Niagara Region
- Northwestern Ontario Municipal Association
- Oxford County
- Peel Region
- Regional Public Works Commissioners of Ontario
- Rural Ontario Municipal Association
- Simcoe County
- York Region

Invited Working Group Members – Circular Economy group

Circular Economy (13 total)

Waste Management Industry

- Atlantic Packaging
- Emterra
- Green For Life/Canada Fibers
- Miller Waste
- Ontario Waste Management Association
- Owens-Illinois
- ReVital Polymers
- Waste Connections of Canada

Packaging Material Sector

- Canadian Manufacturers and Exporters
- Canadian Plastics Industry Association
- Carton Council of Canada
- Compostables Canada
- Paper and Paperboard Packaging Environmental Council

December 18, 2019

Attachment 1: Background on Transition to Full Producer Responsibility

Municipal governments have been advocating for over a decade for producers to have full fiscal and operational responsibility for end of life management of their packaging, printed paper and paper products. Producers are best positioned to reduce waste, increase the resources that are recovered and reincorporated into the economy and enable a consistent province-wide system that makes recycling easier and more accessible.

In August 2019, Minister Yurek announced that municipal Blue Box programs will be transitioned to full producer responsibility over a three-year period based on the recommendations from the Special Advisor's report titled, "Renewing the Blue Box: Final report on the blue box mediation process." Municipal governments played a key role in helping to develop the recommendations within this report. These recommendations broadly reflected the positions advocated by AMO and there was also a great deal of alignment with producers on how the Blue Box should be transitioned.

The municipal transition is proposed to occur between 2023 and the end of 2025, as shown in the table below:

Date	Description
Sept. 2019 → Dec. 2020	Blue Box wind-up plan developed for Stewardship Ontario
	Development of a Regulation under the <i>Resource Recovery and Circular Economy Act</i> , 2016
Jan. 2021 → Dec. 2022	Producers prepare to assume control and operation of system and work with municipal governments and service providers
Jan. 1, 2023 → Dec. 31, 2025	Transition of individual municipal Blue Box programs to full producer responsibility. Occurs in phases over three years with a rolling total of up to one-third of the Provincial program transitioning annually

The Minister wants to ensure that the transitioned Blue Box system is affordable for producers, workable for the waste processing sector, and effective and accessible for residents. AMO and municipal representatives are involved in the consultation process to develop a new regulation for the Blue Box. The Province's intent is to finalize a Regulation by the end of 2020.

AMO staff held in-person workshops on the Blue Box transition across the Province through October and November 2019 to discuss this topic with municipal waste management staff. Over 165 staff and elected officials attended the sessions in Vaughan, London, Smiths Falls, North Bay and Dryden. The workshops provided an opportunity to engage directly with our sector to build understanding about this transition process and the level of engagement from attendees was excellent.

We also began the discussion about what municipal governments should take into consideration about how to prepare for this change and what factors might be considered as to when a Council might want to transition.

HOW YOUR RESOLUTION WILL HELP INFORM THE DISCUSSION:

The resolutions will be used to map out an ideal transition timeline, and determine whether there are years that are over or under subscribed, as it has been dictated that a rolling total of up to one-third of Blue Box programs can transition each year. This information will also allow AMO and the Province to better understand whether there are conflicts. If there are too many conflicts, the Province may still need to retain a third-party expert to develop a methodology as to how municipal Blue Box programs will transition.

However, rather than deferring to the Province to retain an expert immediately, we think this information would provide a good basis for a more informed decision to be made.

Attachment 2: Sample Resolution

Your Council's stated preference may not be the final determination of your transition date, nor are you obligated in any way by the date that is specified. The resolution will be used to map out an ideal transition timeline, and determine whether there are years that are over or under subscribed, as it has been dictated that a rolling total of up to one-third of Blue Box programs can transition each year. This information will also allow AMO and the Province to better understand whether there are conflicts. If there are too many conflicts, the Province may still need to retain a third-party expert to develop a methodology as to how municipal Blue Box programs will transition.

Resolution on Transition to Full Producer Responsibility

WHEREAS the amount of single-use plastics leaking into our lakes, rivers, waterways is a growing area of public concern;

WHEREAS reducing the waste we generate and reincorporating valuable resources from our waste stream into new goods can reduce GHGs significantly;

WHEREAS the transition to full producer responsibility for packaging, paper and paper products is a critical to reducing waste, improving recycling and driving better economic and environmental outcomes;

WHEREAS the move to a circular economy is a global movement, and that the transition of Blue Box programs would go a long way toward this outcome;

WHEREAS the **Municipality of X** is supportive of a timely, seamless and successful transition of Blue Box programs to full financial and operational responsibility by producers of packaging, paper and paper products;

AND WHEREAS the Association of Municipalities of Ontario has requested municipal governments with Blue Box programs to provide an indication of the best date to transition our Blue Box program to full producer responsibility;

THEREFORE BE IT RESOLVED:

THAT the **Municipality of X** would like to transition their Blue Box program to full producer responsibility [month] [date], [year] (between January 1, 2023 and December 31, 2025).

AND THAT this decision is based on the following rationale:

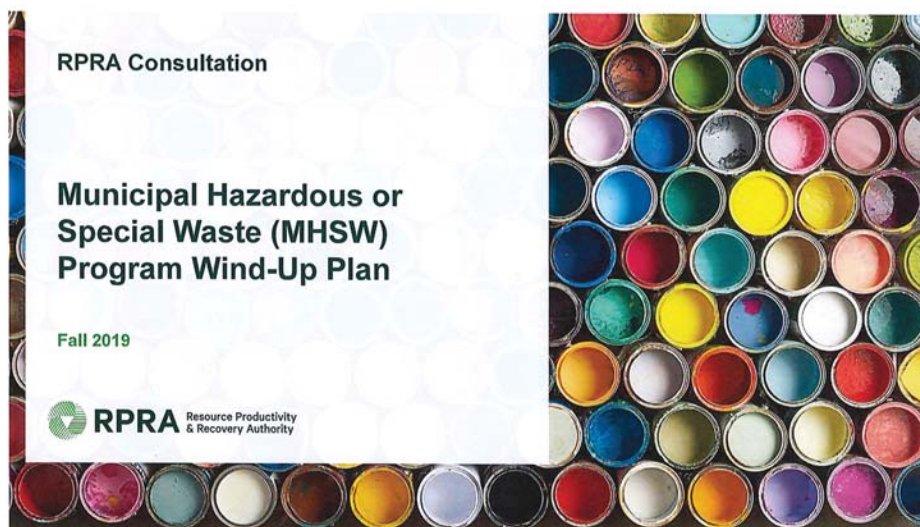
1. **Insert rationale based on analysis of contracts, assets, integrated waste management system or other considerations (e.g., our collection contract for Blue Box material expires December 31, 2024 and our processing contract for Blue Box material also expires December 31, 2024.)**

AND THAT the **Municipality of X** would be interested in providing collection services to Producers should we be able to arrive at mutually agreeable commercial terms.

AND FURTHER THAT any questions regarding this resolution can be directed to Jane Doe, City Manager at xxx-xxx-xxxx or jane.doe@municipalityx.ca

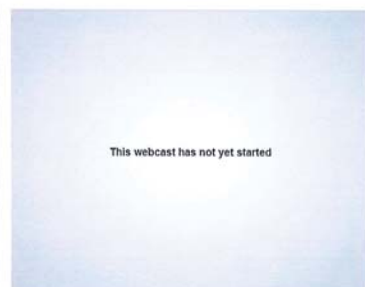
AND FURTHER THAT the resolution be forwarded to the Association of Municipalities of Ontario and the Ontario Ministry of the Environment, Conservation and Parks.

EXAMPLE



Asking Questions

01/29/2018 10:00 AM EST



Questions and Answers

Question: first
Answer: pending

Type a question and press "Enter"

To ask a question at any time during the presentation or for technical assistance, type your question in the text box and press "Enter".

Agenda

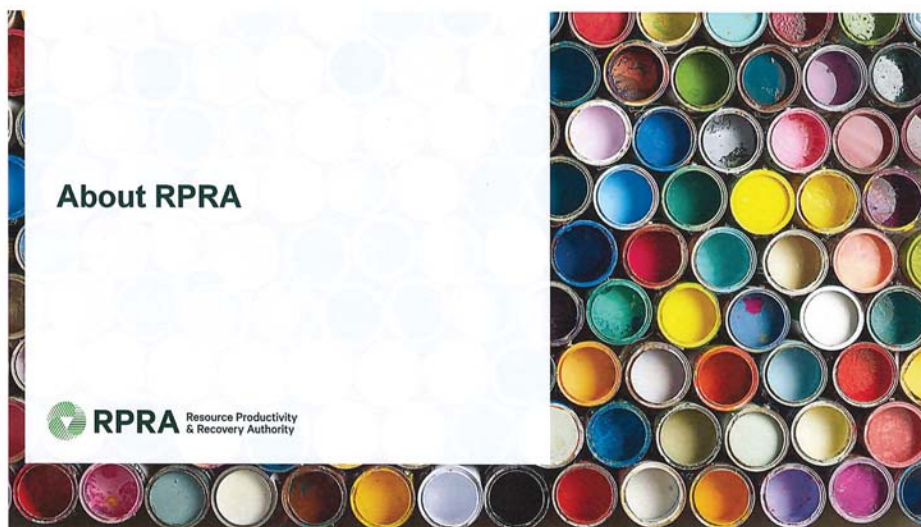
- Purpose of the Consultation
- About RPRA
- Background
- SO's Proposed MHSW Wind-Up Plan
 - Governance and Administration
 - Financial Forecast, Fee Reduction and Residual Funds
 - Operations
 - Promotion and Education



Purpose of the Consultation

- Provide an overview of Stewardship Ontario's proposed Wind-Up Plan for the Municipal Hazardous or Special Waste (MHSW) Program
- Answer questions you have on the wind-up process
 - If there is a question we cannot answer, we will follow up in writing
- Outline key questions we are seeking feedback on during the consultation period
 - You can provide your feedback to RPRA until **November 21, 2019**
 - At the end of the presentation we will explain how you can provide that feedback





The Resource Productivity and Recovery Authority

- Regulatory body created by the Ontario government to oversee Individual Producer Responsibility requirements
 - Compliance and enforcement responsibilities delegated by the province
- Mandated to support the transition to a circular economy and waste-free Ontario
 - Despite efforts, Ontario's diversion rates have stalled
 - New emphasis on Individual Producer Responsibility to drive better economic and environmental outcomes

The RRCEA and WDTA

- RPRA receives its Authority from the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WDTA)
- RRCEA establishes a new framework where producers are individually responsible and accountable for their products and packaging, recovering resources, and reducing waste
- WDTA allows for the continuation of waste diversion programs and sets out provisions to wind up those programs as directed by the Minister of the Environment, Conservation and Parks



Our Vision

**A circular economy today
for a waste-free tomorrow.**

Our Mission

**Enforce producer responsibility and advocate for
the circular economy to spur innovation and
protect the environment.**

What We Do

Under the **WDTA**, our responsibilities include:

Overseeing existing waste diversion programs and industry funding organizations until wind up

- **Used Tires Program** [Concluded December 31, 2018] operated by Ontario Tire Stewardship
- **Waste Electrical and Electronic Equipment Program** operated by Ontario Electronic Stewardship
- **Municipal Hazardous or Special Waste Program** operated by Stewardship Ontario
- **Blue Box Program** operated by Stewardship Ontario

Approving wind-up plans developed by Industry Funding Organizations

- Monitor the execution of wind-up plans

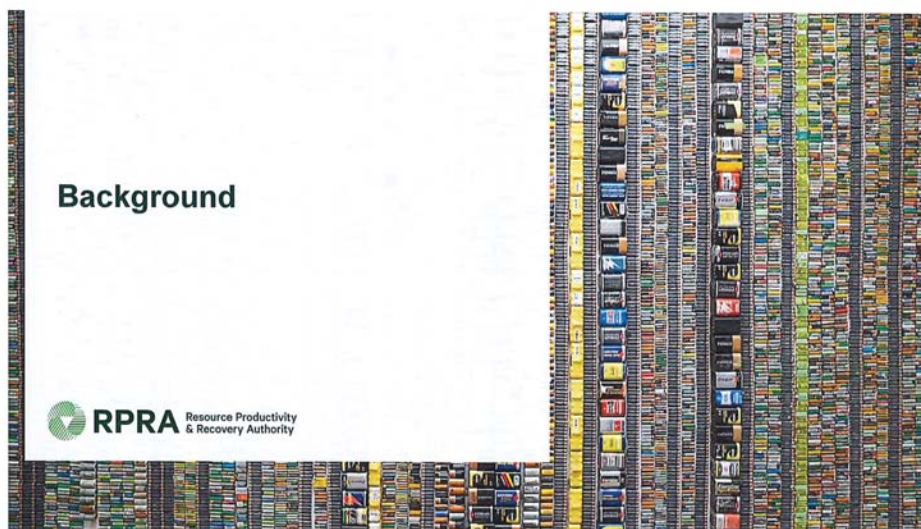


What We Do

Under the **RRCEA** our responsibilities include:

- Developing and operating a registry to register and receive information from obligated parties responsible for materials under the RRCEA
- Managing, analyzing and reporting on the information in the registry
- Carrying out compliance and enforcement activities





MHSW Program

- The Municipal Hazardous or Special Waste (MHSW) Program is operated under the authority of Ontario's *Waste Diversion Transition Act, 2016* (WDTA)
- The program is designed to collect certain hazardous and special wastes and ensure they are managed in an environmentally responsible way at end of life
- MHSW materials include:
 - single-use batteries
 - pressurized containers
 - oil containers
 - oil filters
 - antifreeze
 - paints and coatings
 - pesticides
 - solvents and
 - fertilizers

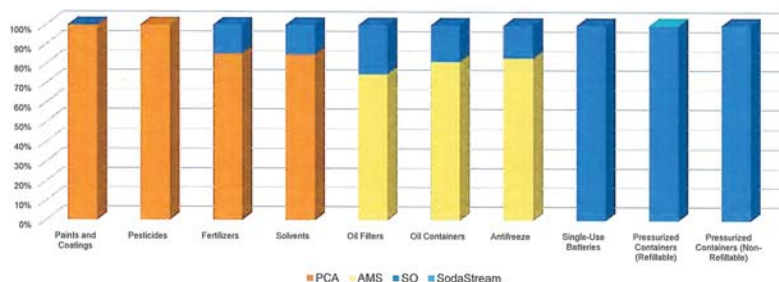
Industry Funding Organization (IFOs) and Industry Stewardship Organizations (ISOs)

- Under the *Waste Diversion Transition Act, 2016* (WDTA), **Stewardship Ontario (SO)** continues to be responsible for operating the MHSW program
- The Act also permits management of such materials by ISOs
 - **Product Care Association (PCA)**: approved to manage paints & coatings in July 2015 and pesticides, solvents and fertilizers (PSF) in April 2016
 - **Automotive Materials Stewardship (AMS)**: approved to manage oil filters, oil containers, antifreeze and antifreeze containers in April 2017
 - **SodaStream**: approved manage their own of proprietary pressurized containers in July 2016
- SO continues to operate battery and pressurized container programs
- SO continues to represent a small number of stewards in some of the other MHSW categories managed by the ISOs



Industry Funding Organization (IFO) and Industry Stewardship Organizations (ISOs)

Percentage of Material Managed by each MHSW Program Operator
(*based on collected tonnes as reported in 2018 Annual Reports)



MHSW Wind-Up Plan (WUP) Development and Approval

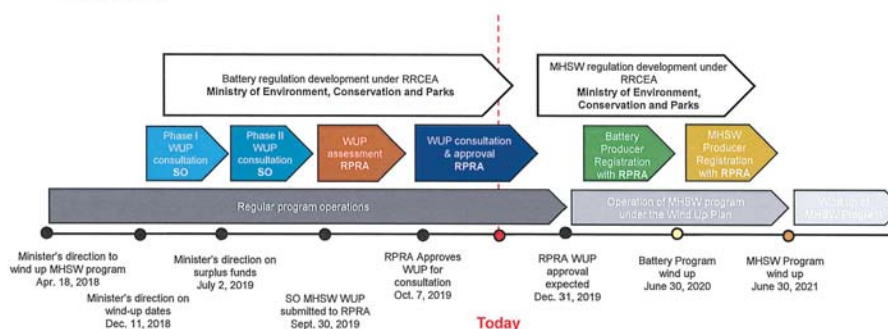
Evaluation Criteria

- Stewardship Ontario's proposed MHSW Wind-Up Plan must be compliant with the WDTA and consistent with the Minister's directions
- The Plan is also assessed against requirements of the Authority's Wind-Up Guide, a non-binding document to provide guidance to IFOs in the development of wind-up plans
- The purpose of the consultation is to get feedback from stakeholders on the plan, and inform the Authority's decision making
- Final approval of the Plan will be made by the Authority



MHSW Wind-Up Plan (WUP) Development and Approval

Timelines



Minister's Direction to Wind Up the MHSW Program

The plan should be consistent with the following principles

- Demonstrate transparent communications and meaningful consultation
- Support competition and prevent conflict of interest
- Demonstrate fairness to stewards and protect consumers
- Maintain and improve program performance



Minister's Direction to Wind Up the MHSW Program

Surplus Funds

- The July 2019 direction to SO required that the wind-up plan include a proposal to return surplus funds to Ontario consumers of municipal hazardous or special material (MHSW)

Material Categories	Ministerial Direction
MHSM categories whose recovery is managed by SO (single-use batteries and pressurized containers)	"(...) direction that the proposal will set out rules governing a fee elimination during the wind-up period. I expect that consumers will benefit from this direction through the elimination of any consumer fees of through reduced product cost."
MHSM categories that are managed through industry stewardship plans (paint and coatings, pesticides, solvents, fertilizers, antifreeze, oil filters and oil containers)	"(...) the proposal include options to return surplus funds to MHSM consumers; for example, through a consumer rebate option."

- SO to include a proposal to deal with any residual funds (remaining) after the proposal to return surplus funds to consumers has been implemented and concluded.



What's Changing?

Going from:

Waste Diversion Transition Act, 2016 (WTDA)

Shared Producer Responsibility
Stewards/producers collectively responsible for the end-of-life management of batteries and MHSW

A system centrally managed by SO and ISPs

To:

Resource Recovery and Circular Economy Act, 2016 (RRCEA)

Individual Producer Responsibility (IPR)
Stewards/producers individually responsible for the end-of-life management of batteries and other MHSW to incent competition and innovation and increase accountability

A system managed by multiple competing producer responsibility organizations (PROs), and/or producers managing their own products



What's Changing?

Going from:

A supply chain operated according to the IFO's Program Plan and Industry Stewardship Plans (ISPs)

IFO and ISPs collect system data and the Authority oversees MHSW program operators (SO, PCA, AMS, SodaStream)

To:

Supply chain operated without an approved Program Plan or Industry Stewardship Plans (ISP)

Supply chain will be managed according to commercial negotiations between producers, PROs and service providers within the parameters of a new regulation

The Authority collects system data through a secure registry to enforce individual producer compliance



Key Questions – About Us and Background

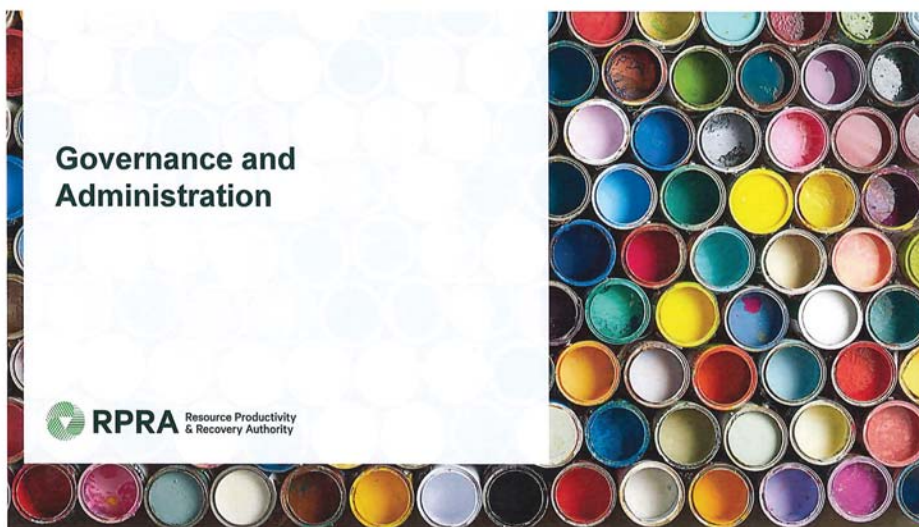
Do you have any questions regarding the role of the Authority?

Do you have any questions or comments regarding the wind-up plan's evaluation criteria, its timelines or the Minister's direction?



Stewardship Ontario's (SO) Wind-Up Plan for the Municipal Hazardous or Special Waste (MHSW) Program





Conflict of Interest Mitigation

Minister directed in wind-up letter that:

- "SO shall take all necessary steps to ensure there is no real, potential or apparent conflict of interest when developing and implementing the plan."

Potential concerns identified:

- Canadian Stewardship Services Alliance (CSSA) administers the SO MHSW Program through a service agreement with SO
- CSSA may have an operational role under the RRCEA after wind up
- SO and CSSA Boards had significant cross representation

Conflict of Interest Mitigation Plan:

- The Authority required that SO develop and implement a Conflict of Interest Mitigation Plan and that this plan be implemented prior to wind up

SO MHSW Conflict of Interest Mitigation Plan

Board Governance

- SO amended Board Code of Conduct by-law to define “overlapping directors”
- SO directors who are also directors of the CSSA or AMS (defined as “overlapping directors”) or whose company has a future expectation of operating as a service provider under the RRCEA with respect to MHSW materials, are not permitted to participate in decisions regarding the MHSW Program or the wind up of the MHSW Program
- Board members are required to disclose any potential conflict of interest related to the Board's review of MHSW Program decisions and will be required to recuse themselves from those decisions



SO MHSW Conflict of Interest Mitigation Plan

MHSW Executive Committee

- In **November 2018**, SO established an MHSW Executive Committee (chaired by an independent director) to:
 - Oversee the development and execution of the MHSW Wind-Up Plan
 - Ensure delivery of MHSW operations during Wind-Up period
 - Provide direction on MHSW financial matters
- The MHSW Executive Committee is comprised of directors whose businesses are not involved in or obligated under the MHSW Program
- SO appointed an MHSW program manager to report directly to the MHSW committee and lead a team of independent consultants (accounting, legal and policy advisors) engaged to work on the wind-up project



SO MHSW Conflict of Interest Mitigation Plan

Administration

- CSSA Executives are not responsible for MHSW wind up decisions as per new reporting structure
- SO and CSSA staff involved in program administration are prohibited from engaging in activity or directly or indirectly benefitting from their position or connections as employees in situations that constitute or have the appearance of a conflict of interest
- SO - CSSA service agreement prohibits the disclosure of confidential information and restricts its usage to that reasonably required to exercise duties under the agreement



SO MHSW Conflict of Interest Mitigation Plan

Since submitting the MHSW WUP, SO has further strengthened their conflict of interest plan in preparation for the wind up of the Blue Box Program by creating the SO Wind-Up Team and has taken or will take the following actions:

- All cross appointments between the SO and CSSA boards have been eliminated; no common directors between the organizations
- CSSA/SO Board Chair has resigned and a new SO Board Chair has been elected
- New SO Executive Director and Board Secretary has been appointed
- MHSW Executive Committee is no longer required and SO Wind-Up Team now reports directly to the SO Executive Director
- Segregated workspace will be constructed for the SO Wind-Up Team, SO staff and CSSA staff providing services to SO



SO MHSW Conflict of Interest Mitigation Plan

Data Management – Steward Access to Data

- Stewards will have access to their historic submission data through the WeRecycle steward reporting web portal until program termination
- Following program termination, steward data will no longer be accessible through the portal
- SO proposes to give MHSW stewards at least 45-days notice regarding the anticipated change in accessibility



SO MHSW Conflict of Interest Mitigation Plan

Data Management – Transfer of Data to RPRA

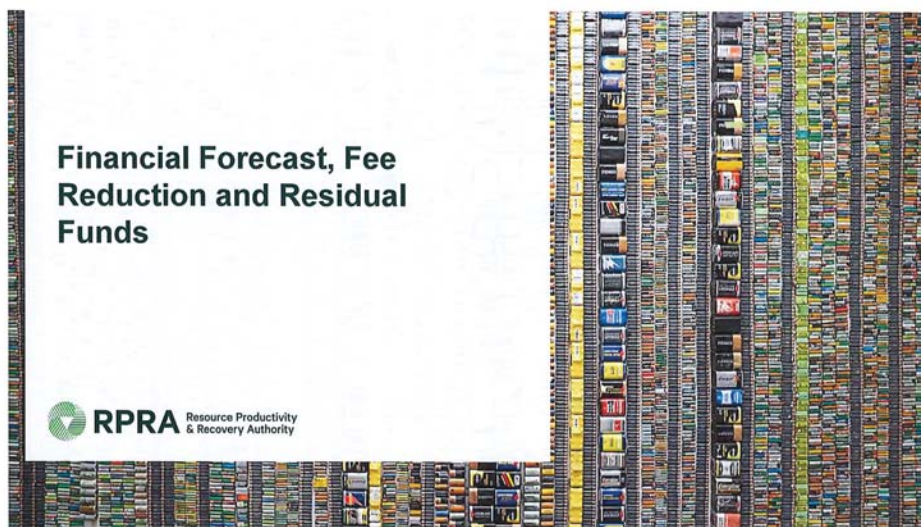
- All MHSW program data will be transferred to the Authority in digital format with measures implemented to maintain data security throughout the transfer process
- Confidential or commercially sensitive information will be identified so that the Authority can take steps to ensure secure data storage and protection of such information
- Historic program data will be in the Authority's possession and future access to this data will be subject to the Authority's Access and Privacy Code
- Only MHSW program data required for tax and legal purposes will be retained until no longer required, at which point the process of destroying the data from active and back-up access points will begin with a final attestation provided to the Authority once the destruction process is complete



Key questions – Governance and administration

Do you have any feedback on the proposed Conflict of Interest Plan contained within SO's MHSW Wind Up Plan? Does it support competition and prevent conflict of interest?

Do you have any feedback on the plan for the management of MHSW program data leading up to and following the wind up?



Background – CRA HST Refund and Impact on Reserves

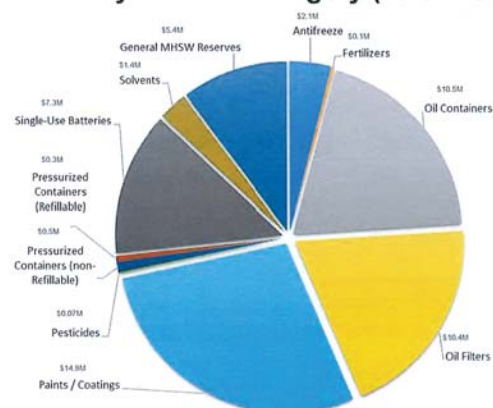
- In April 2018, a CRA judgement related to the ability for SO to claim Input Tax Credits (ITCs) between 2011 to 2017, resulted in a **\$29.4M** HST refund
- The CRA ruling increased SO's reserves for the period ending December 2018 to **\$53.1M**
- Reserves are allocated to specific material categories
- MHSW material category reserves are distributed according to contributions by stewards throughout the course of the MHSW Program



MHSW Reserves by Material Category (as of December 2018)

	Accumulated Operating Surplus (Excluding HST Adjustment)	HST ITC Adjustment	Deferred Revenue (2012)	Total Reserve Estimate December 2018
Antifreeze	\$316	\$1,267	\$527	\$2,110
Fertilizers	\$33	\$94	\$5	\$132
Oil Containers	\$3,668	\$6,111	\$715	\$10,494
Oil Filters	\$1,622	\$6,062	\$2,688	\$10,372
Paints/Coatings	\$4,648	\$7,145	\$3,141	\$14,934
Pesticides	-\$43	\$101	\$11	\$69
Pressurized Containers (Non-Refillable)	-\$413	\$818	\$110	\$515
Pressurized Containers (Refillable)	\$127	\$159	\$2	\$288
Single-Use Batteries	\$419	\$4,974	\$1,903	\$7,296
Solvents	\$734	\$676	\$37	\$1,447
Total Reserves Allocated by Material	\$11,111	\$27,407	\$9,139	\$47,657
MHSW General Unrestricted Reserves	\$1,360	\$1,969	\$0	\$3,329
MHSW Portion of Sustaining Fund	\$2,100	\$0	\$0	\$2,100
Total Unallocated Reserves	\$3,460	\$1,969	\$0	\$5,429
Total MHSW Reserve Estimate	\$14,571	\$29,376	\$9,139	\$53,086

MHSW Reserves by Material Category (as of December 2018)



MHSW WUP Financial Forecast 2019 - 2021 (in \$000)

	2019	2020	2021
Estimated Reserves Beginning of Year	53,086	\$48,728	\$22,035
Estimated Revenue	\$13,758	\$5,086	\$939
Program Operating Expenses			
Direct Material Costs	\$13,110	\$8,773	\$1,792
Administration	\$3,560	\$3,057	\$2,325
Sub-Total	\$16,670	\$11,830	\$4,117
Operating Surplus/Deficit	-\$2,912	-\$6,744	-\$3,178
Estimate MHSW Wind Up Costs	-\$1,446	-\$2,681	-\$3,165
ISP Fee Reduction		-\$17,268	-\$15,319
Estimated Reserves End of Year	\$48,728	\$22,035	\$373
General Reserve Drawdown	\$1,446	\$1,681	\$2,302
Material Reserve Drawdown	\$2,912	\$25,012	\$19,358

Minister's Direction Regarding Surplus Funds

- Due to the large amount held by SO in reserves, the Minister issued a direction to SO to return surplus funds to Ontario consumers of municipal hazardous or special materials (MHSM)
- Furthermore, the materials managed by Stewardship Ontario and the Industry Stewardship Organization (ISOs) received specific directions

Material Categories	Ministerial Direction
MHSM categories whose recovery is managed by SO (single-use batteries and pressurized containers)	"(...) direction that the proposal will set out rules governing a fee elimination during the wind up period. I expect that consumers will benefit from this direction through the elimination of any consumer fees or through reduced product cost."
MHSM categories that are managed through industry stewardship plans (paint and coatings, pesticides, solvents, fertilizers, antifreeze, oil filters and oil containers)	"(...) the proposal include options to return surplus funds to MHSM consumers; for example, through a consumer rebate option."



Options Considered to Manage Surplus Funds

Categories whose recovery is managed by SO (single-use batteries and pressurized containers)

1. **Fee Elimination:** SO reduces MHSW steward fees for single-use batteries and pressurized containers for a specified period of time in each related MHSW category
2. **Fee Reduction:** SO reduces MHSW steward fees over a longer period – exact level of final fee reduction based on final program financial reconciliations and completed steward supply reports

Categories that are managed through ISPs (paint and coatings, pesticides, solvents, fertilizers, antifreeze, oil filters and oil containers)

SO considered and consulted on four options to return surplus funds to consumers:

1. Fee elimination/reduction for ISP materials
2. Rebate consumers that purchase MHSM
3. Rebate consumers that return MHSW materials for recycling
4. Implement a single general MHSW consumer rebate through various awareness initiatives



Proposal – Fee Reduction to SO Stewards and ISO Members

- SO proposes to return surplus funds to MHSM consumers through the implementation of a fee reduction for both SO stewards and ISO members during the wind-up period
- SO believes that this proposal achieves the following objectives:
 - Enables the consistent treatment of all MHSW program participants
 - Represents the most efficient way to ensure that the disbursement of surplus funds will benefit consumers
 - Minimizes the administrative costs associated with disbursement of surplus funds
 - Maximizes the aggregate level of disbursed funds which minimizes the level of residual funds left in the program following termination
 - Flexibility to adjust the amount of the final fee reduction based on most current financial and operational information
- SO asserts that the competitive market dynamic associated with the sale of MHSM materials should result in cost savings being passed onto related consumers



Proposal – Fee Reduction Mechanics

- SO is proposing to apportion surplus funds held in each material specific reserve as a reduction to steward invoices during the final quarters of the program
- The duration of fee reduction (number of quarters) varies based on surplus amount and operating cost associated with the management of each type of material
- SO steward invoices would indicate the amount of the program costs (i.e. what would normally be billed to the steward) and the amount of the fee reduction associated with the reserve drawdown in addition to the amount the steward would be required to pay.
- SO proposes to implement the fee reduction for ISP members through separate service agreements with the ISOs (AMS and PCA) that establish terms for:
 - Data sharing
 - How to document the process
 - How to resolve disputes
 - Require that any fee reductions paid for by SO benefit or are passed onto to ISP members.



Proposal – Fee Reduction Communications

Stakeholders Involved in the Sale of MHSM	Method of Communication	Communication Goal
<ul style="list-style-type: none"> • SO Stewards • ISO Members • MHSM Wholesalers • MHSM Retailers 	<ul style="list-style-type: none"> • Email Blasts • Website Posts • Targeted Webinar Sessions 	<p>Ensure that all stakeholders involved in the sale of MHSM are fully aware of:</p> <ul style="list-style-type: none"> • The process by which fees will be reduced for SO stewards and ISO Members • The anticipated timing of implementation of the fee reductions and • The estimated level of the fee reduction per MHSW category

Proposal – Residual Funds

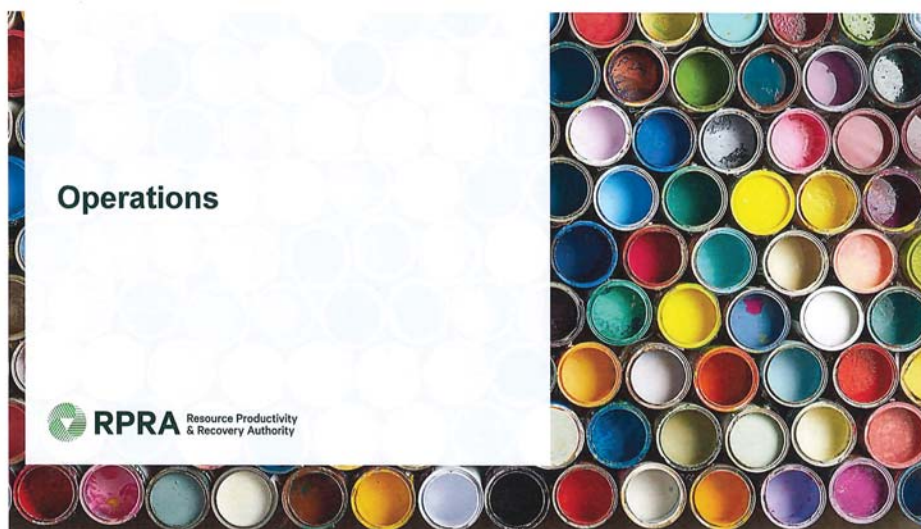
- Any residual funds that remain in the program following the resolution of outstanding program financial obligations, are proposed to be transferred to the Authority to help offset registry-related costs under the RRCEA framework in relation to various MHSW material categories
- Using SO's residual funds to offset the Authority's registry-related expenses will lower registry fees recoverable from producers, thereby reducing the cost that producers pass on to consumers under the RRCEA

MHSW Residual Fund Forecast (\$000)

Antifreeze	\$55
Fertilizers	\$5
Oil Containers	\$87
Oil Filters	\$58
Paints/Coatings	\$53
Pesticides	\$5
Solvents	\$9
Pressurized Containers (Non-Refillable)	\$44
Pressurized Containers (Refillable)	\$33
Single-Use Batteries	\$27
Residual Funds at program Termination	\$376

Key questions – Financial Forecast, Fee Reduction and Residual Funds

- *Do you have any comments or feedback regarding:*
- *The proposal to return surplus funds to MHSM consumers through the implementation of a fee reduction to SO stewards and ISO members?*
- *The proposal to transfer remaining MHSW residual funds to the Authority to offset registry-related expenses and ultimately lower producer registry fees?*





Proposal – Stewardship Ontario Program Operation **Single-Use Batteries and Pressurized Containers**

- No changes to service provider claims procedures, incentive payments or contractual terms prior to the MHSW Program termination date
- No changes to MHSW material definitions
- All MHSW materials will continue to be collected, transported, processed and recycled in accordance with current program standards and performance metrics up until **June 30, 2021** (or **June 30, 2020** in the case of single-use batteries).

Proposal – Municipal Collectors **Single-Use Batteries and Pressurized Containers**

- SO to continue to pay municipalities for depot hours and collection events in relation to single-use batteries until **June 30, 2020** and pay for depot hours and collection events for other MHSW materials until **June 30, 2021**.
- Municipalities would receive payments pursuant to the same payment schedule as they currently receive.
- Municipalities must submit event claims no later than two months after the program termination dates (**August 31, 2020** for single-use batteries and **August 31, 2021** for pressurized containers).
- SO will work with municipalities to amend existing agreements to reflect the different termination dates for single-use batteries and other MHSW materials.



Proposal – Transporters and Processors **Single-Use Batteries and Pressurized Containers**

- SO proposes to continue to provide incentives under the Battery Incentive Program (BIP) for all single-use batteries collected by **June 30, 2020** (program termination date)
- Transporters would have until **July 15, 2020** to collect single-use batteries and from collection sites and until **July 15, 2021** to collect pressurized containers.
- Transporters and processors would have until **August 31, 2020** to submit incentive claims for single-use batteries dropped off by **June 30, 2020** and collected by **July 15, 2020**.
- Transporters and processors would have until **August 31, 2021** to submit claims for pressurized containers dropped off by **June 30, 2021** and collected by **July 15, 2021**.



Summary of Key Dates – Service Providers

Single-use battery cut-off dates	
June 30, 2020	Single-use Battery program termination date: <ul style="list-style-type: none"> Materials collected by this date eligible for transportation and processing incentives; Municipalities eligible for single-use battery related incentives re depot hours and collection events.
July 15, 2020	Deadline for pick-up of single-use batteries collected by June 30
August 31, 2020	Deadline for: <ul style="list-style-type: none"> Submission of municipal claims for single-use battery related incentives (final submission); Submission of service provider claims for battery incentives (final submission);
MHSW cut-off dates	
June 30, 2021	MHSW material program termination date (excluding single-use batteries): <ul style="list-style-type: none"> Materials collected by this date eligible for transportation and processing incentives; Municipalities eligible for incentives re depot hours and collection events
July 15, 2021	Deadline for pick-up of MHSW collected by June 30 (excluding single-use batteries)
August 31, 2021	Deadline for: <ul style="list-style-type: none"> Submission of municipal claims for incentives (final submission); Submission of service provider claims for incentives (final submission);



Proposals – Audit and Review Activities

Service Providers Claims

- SO proposes to continue with current service provider monitoring throughout the wind-up period
- As the wind-up date approaches, SO anticipates that volumes of materials collected and processed may change, which will require the careful monitoring of final service provider claims submissions closely and initiation of review procedures to confirm materials collected are consistent with program standards



Service Providers – Post-Wind Up

All MHSW Materials

- All material collected **AFTER** the MHSW program termination dates (**June 30, 2020** for single-use batteries and **June 30, 2021** for all remaining MHSW materials) would be subject to the requirements of the RRCEA and the associated regulations
- If service providers wish to continue to participate in the MHSW program under the RRCEA, new agreements will need to be established to define terms for collection, transportation and processing of material
- It is anticipated that PROs for Batteries and MHSW materials will register with the Authority in advance of the program wind up



Proposal – ISP Agreements

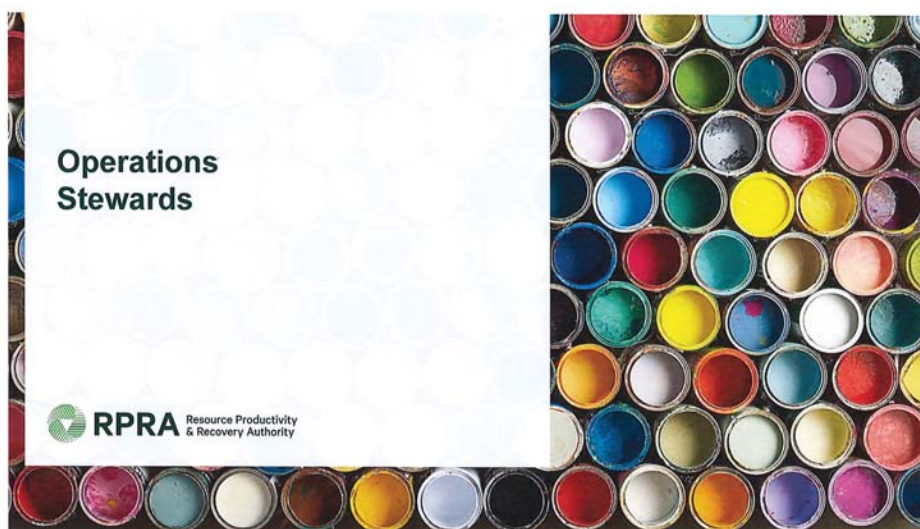
Paint and Coatings, Pesticides, Solvents, Fertilizers, Automotive Materials

MHSW Material	ISO	Program Agreement Amendments
Antifreeze Oil Containers Oil Filters	AMS	<ul style="list-style-type: none"> • SO to extend its current agreements with each ISO to align with the MHSW Program wind up termination date (June 30, 2021) • SO will follow the current process and arrangements with the ISOs and purchase SO steward's share of quarterly costs in each material category based on estimates of proportionate share of total supplied quantities of MHSW to the Ontario market • SO to follow the existing invoicing and payment process until program termination
Pesticides Solvents Fertilizers	PCA	<ul style="list-style-type: none"> • SO proposes to explore the possibility of adding paints and coatings to its existing supply agreement with PCA (covering PSF categories) during the wind-up period. • SO will continue to purchase credits on behalf of its registered stewards from PCA until program termination
Paint and Coatings	PCA	<ul style="list-style-type: none"> • SO proposes to explore the possibility of adding paints and coatings to its existing supply agreement with PCA (covering PSF categories) during the wind-up period. • SO will continue to purchase credits on behalf of its registered stewards from PCA until program termination



Key question – Service Provider Operations

Are the service provider cut-off dates proposed by Stewardship Ontario reasonable?



Proposal – Steward Reporting and Payment Dates **Single-Use Batteries**

- Final adjustment requests for 2019 and earlier will need to be submitted by **May 31, 2020**
- Final supply reports for Q2 2020 data July 1, 2020 will be due by **August 31, 2020**
- Final adjustment requests for 2020 supply data will need to be submitted by **August 31, 2020**
- Battery stewards would receive their last invoice from SO 90 days after the program termination with payment required 30 days after receipt of the invoice (**Oct 31, 2020**)



Proposal – Steward Reporting and Payment Dates **All Other MHSW Materials**

- Final adjustment requests for 2020 and earlier will need to be submitted by **May 31, 2021**
- Final supply reports for Q2 2021 data July 1, 2020 will be due by **August 31, 2021**
- Final adjustment requests for 2021 supply data will need to be submitted by **August 31, 2021**
- MHSW stewards would receive their last invoice from SO 90 days after the program termination with payment required 30 days after receipt of the invoice (**Oct 31, 2021**)



Summary of Key Dates for Stewards

Single-use battery cut-off dates	
May 31, 2020	Deadline for single-use battery stewards to submit 2019 supply report adjustments
June 30, 2020	Single-use Battery program termination date
August 31, 2020	Deadline for: <ul style="list-style-type: none"> Submission of single-use battery steward supply report adjustments for 2020;
Oct 31, 2020	<ul style="list-style-type: none"> Deadline for steward payment of final Stewardship Ontario invoice – sent September 30, 2020 Due 30 days after receipt
MHSW cut-off dates	
May 31, 2021	Deadline for other MHSW stewards (excluding single-use batteries) to submit 2019-2020 supply report adjustments
June 30, 2021	MHSW material program termination date (excluding single-use batteries)
August 31, 2021	Deadline for: <ul style="list-style-type: none"> Submission of steward supply report adjustments for 2021;
Oct 31, 2021	<ul style="list-style-type: none"> Deadline for steward payment of final Stewardship Ontario invoice – sent September 30, 2021 Due 30 days after receipt



Proposals – Audit and Review Activities

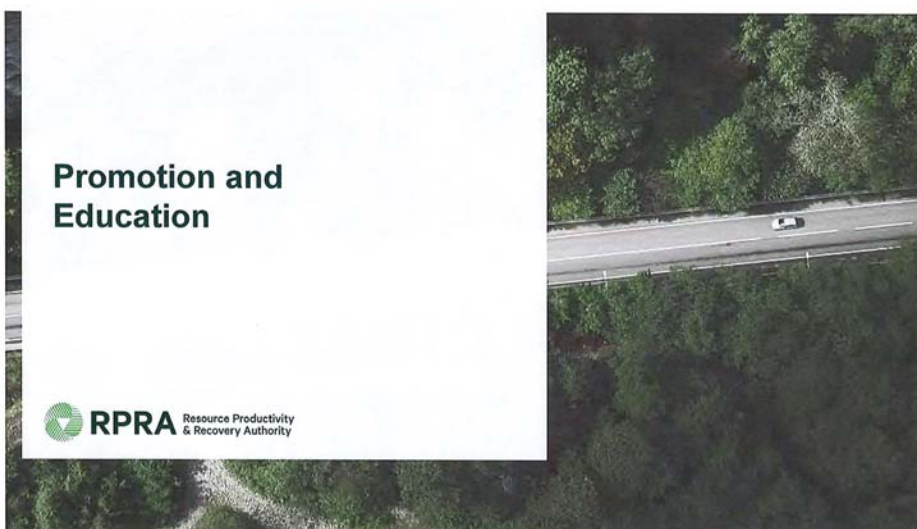
Steward Supply Reports

- SO proposes continue to follow its current steward compliance audit framework for selecting stewards to audit throughout 2019 and 2020
- As program termination dates get closer, SO proposes to limit random steward audits and focus resources on ensuring steward compliance with program termination reporting deadlines and requirements



Key question – Steward operations

Does Stewardship Ontario's proposed final steward reporting schedule and process align with your business operations?



Proposal – Orange Drop Website and Branding

- SO to continue to use Orange Drop branding and website functions as the consumer-facing brand of the MHSW Program throughout the wind-up period
- SO to operate the Orange Drop website for six months after program termination (*this transition period would last for 18 months for single-use batteries)
- During the transition, the Orange Drop website would direct consumers to new sources of information on the proper disposal of MHSW materials
- Following this transition period, SO to transfer the legal title of Orange Drop and its website domain name to the Authority



Proposal – Orange Drop Website and Branding

- SO to continue the current promotion and education awareness programs throughout the wind-up period to ensure that program performance is not adversely affected by a slow down of these activities
- Promotion and education activities represented approximately four per cent of Stewardship Ontario MHSW Program expenses in 2018; a similar level of spending is being proposed for 2019 and 2020
- Promotion and education activities will cease on **June 30, 2021**



Key question – Promotion and Education

Do you support the transfer of the ownership of the Orange Drop website and branding to the Authority?

Would you support the Orange Drop branding being made available to Producer Responsibility Organizations (PROs) and producers?

Do you feel that PROs may need access to the Orange Drop website and branding prior to the wind-up dates?



Key question – General Feedback on the WUP

Is there enough information in the wind-up plan for you to prepare for the wind up of the program?

Please provide any feedback you may have regarding the MHSW Wind Up Plan's efforts to meet the requirements of the various Minister's directions?



Next steps

- You may provide your feedback on SO's MHSW Wind-Up Plan by:
 - Emailing your comments to consultations@rprr.ca
 - You will receive an email from RPRA that includes a link to this presentation, the audio, and a survey on the consultation process
- Stakeholder feedback is due by **November 21, 2019**
- Feedback from the consultation will be summarized in a report that will be available on the Authority's website
- RPRA and SO will provide information on proposed regulations as soon as information becomes available from the Ministry of Environment, Conservation and Parks



Key Questions

Question 1: Do you have any questions regarding the role of the Authority?

Response:

- a. Niagara Region has no concerns at this time provided that the transition of the windup plan submitted by Stewardship Ontario meets the Minister's Directive, the process is transparent and the Resource Productivity and Recovery Authority (Authority) fulfills its mandate as required.
- b. As part of its role following windup plan completion, the Authority needs to ensure the market is fair to all parties and that no single Producer Responsibility Organization (PRO) has a major monopoly of agreements with producers (i.e. no more than XX percent of the market). Niagara experienced this issue during the tire transition during the first half of 2019 i.e. a PRO indicated that one specific tire PRO had agreements with 85% of the market which caused operational issues for Niagara Region resulting in reduced service and tires not being collected.
- c. That all parties involved with the process of MHSW are compensated properly according to the Minister's Direction.

Question 2: Do you have any questions or comments regarding the wind-up plan's evaluation criteria, its timelines or the Minister's direction?

Response:

- a. The timelines seem reasonable
- b. Niagara Region has concerns about the transition occurring in the middle of the summer (busy time of year for MHSW) while the collection sites try to maintain a high level of service for residents. As an example, during the transition of the tire program it took several months for the PROs to have agreements in place and coordination of haulage which would be critical during a busy time of the year such as summer.

Question 3: Do you have any feedback on the proposed Conflict of Interest Plan contained within SO's MHSW Wind Up Plan? Does it support competition and prevent conflict of interest?

Response:

- a. The changes to the various boards appears to have eliminated any potential conflict of interest. That being said, the process must be transparent.

Question 4: Do you have any feedback on the plan for the management of MHSW program data leading up to and following the wind up?

Response:

- a. The management of data is appropriate based on the information provided.

Question 5: The proposal to return surplus funds to MHSM consumers through the implementation of a fee reduction to SO stewards and ISO members?

Response:

- a. The Authority will need to clearly and transparently demonstrate that through this process there is a fee reduction passed down through the stewards and Industry Stewardship Organizations (ISO) members to the consumers. The Authority needs to ensure that stewards do not increase the cost and then reduce the cost by the same amount and claim that consumers are receiving a rebate.
- b. The fee reduction methodology needs to be clearly and easily communicated to consumers so that they are aware of the fee reduction program.

Question 6: The proposal to transfer remaining MHSW residual funds to the Authority to offset registry-related expenses and ultimately lower producer registry fees?

Response:

- a. The process of transferring residual funds needs to be transparent. Similar to response 5 a., the Authority must ensure that any savings are passed onto consumers.

Question 7: Are the service provider cut-off dates proposed by Stewardship Ontario reasonable?

Response:

- a. The timelines seem reasonable.

Question 8: Does Stewardship Ontario's proposed final steward reporting schedule and process align with your business operations?

Response:

- a. It is not anticipated that the reporting schedule will have an impact on our business operations. The Authority has provided sufficient notice in order for Niagara Region to plan and meet requirements in advance of the deadlines.

Question 9: Do you support the transfer of the ownership of the Orange Drop website and branding to the Authority?

Response:

- a. Yes, an independent organization should oversee the Orange Drop site to ensure that the public's interest is maintained.

Question 10: Would you support the Orange Drop branding being made available to Producer Responsibility Organizations (PROs) and producers?

Response:

- a. The PROs and producers should work through the Authority for any changes that are required to the Orange Drop site.

Question 11: Do you feel that PROs may need access to the Orange Drop website and branding prior to the wind-up dates?

Response:

- a. Please see response to Question 10.

June 21, 2019

Krista Friesen
Resource Recovery Policy Branch
40 St. Clair Avenue West, Floor 8
Toronto, ON
M4V 1M2

Dear Ms. Friesen,

**RE: REGULATION FOR RECYCLING OF ELECTRICAL AND ELECTRONIC
EQUIPMENT (EEE) AND BATTERIES (EBR REGISTRY NUMBER: 019-0048)**

Niagara Region appreciates the opportunity to provide comments in response to the EBR posting regarding the Regulations for Recycling of Electrical and Electronic Equipment (EEE) and Batteries under the Resource Recovery and Circular Economy Act, 2016. Please find the Region's comments on each respective section of the regulations below.

Designating Materials

Niagara Region is supportive of inclusive list of designated materials, including appliances, lighting and ballasts, which are included in Schedule I of the EEE regulation, however the list of EEE does not include toys. Toys containing electronic parts and batteries are commonly found at municipal recycling and waste disposal facilities and should be included in the scope of the EEE regulation.

The Region has no concerns with the definition of "large-scaled fixed installations" which excludes large-scale electrical equipment such as elevators, escalators and streetlights.

Niagara Region also supports the inclusion of single use and rechargeable batteries in the battery regulation as it avoids confusion for consumers and ensures more battery capture.

Defining Responsible Producers

The regulations propose responsibility primarily on brand holders who are resident in Canada whose EEE and batteries are marketed and supplied to Ontario consumers, followed by importers and others who market EEE and batteries who are resident in Ontario, and then others who are located out of province but who market and supply EEE and batteries to Ontario consumers through the internet. Niagara Region supports the cascading approach to identify responsibility for EEE and batteries, however if there are two or more brand holders resident in Canada, the regulation states that the brand holder most directly connected to the production of the EEE or the batteries is the producer. This is not defined and should be further clarified as it is vague.

Niagara Region's Response to Consultation Sessions: Proposed Producer Responsibility Framework for WEEE and Batteries

Niagara Region supports the dual hierarchy for batteries to differentiate producers that include batteries in their products and those that do not.

With respect to the producers that are located out of province but who market and supply EEE and batteries to Ontario consumers through the internet, a mechanism should be developed to report on-line sellers (free-riders) that do not pay extended producer responsibility (EPR) fees and do not assume take-back obligations. This would improve enforcement by RPRA.

Collection Requirements

Niagara Region supports the Ministry's approach for ensuring accessibility of EEE and battery collection sites across the Province. While the accessibility requirements increase the reach to consumers throughout the province and applies to municipalities of more than 1,000, this may still leave a segment of Ontario municipalities without disposal options if there is no local retailer. Accessibility of collection sites must be included in all municipalities.

The regulation does not, and should not, require municipalities to collect EEE or batteries, but municipalities should retain the right to collect if they wish to be a service provider.

The EEE regulation suggests collecting each type of EEE material separately. Only in rare cases would categories not mix with other categories or have different requirements (i.e.: lighting ballasts). But for the most part, electronics can be safely collected together. This will enable sites with limited space to effectively offer collection services for a wider range of materials with existing resources.

A significant portion of EEE falls under the categories of large and small equipment, including most appliances, tools and gardening equipment. Therefore producers of large and small equipment should not be exempt from collection requirements. Further, in an effort to maximize capture, producers should be subject to collection requirements in all cases, and should not have reduced obligations even if their management requirement falls below the identified minimum thresholds. The identified management requirement thresholds in the regulations do not support the notion of 100% extended producer responsibility practices.

Management Requirements

Niagara Region is supportive of adding the weight of reuse, refurbishment, or processed EEE to make new products, packaging or *things* to satisfy recovery requirements as this should help incentivize more reuse and refurbishment activity; however, there should be increased checks and enforcement to prevent any producers from falsely calling a product refurbished just to meet their targets. In addition, the term, "things" needs to be defined. It is vague and does little to provide clarification and could have companies looking to achieve targets based on the lowest common denominator.

Niagara Region's Response to Consultation Sessions: Proposed Producer Responsibility Framework for WEEE and Batteries

Waste Reduction Initiatives

Niagara Region is supportive of a reduction of a management requirement to be capped at 50 per cent if: EEE contains post-consumer recycled glass or recycled plastic content; if EEE is subject to a warranty that covers one or more years (with escalating reductions); or if the producer provides information, tools or parts available at no charge or on a cost recovery basis to safely repair the EEE. The process for repairs shall be a relatively simple process to ensure that it does not deter the repair of EEE.

Both regulations should encourage product design where there is less use of toxic materials and rare earth components in the manufacture of EEE and battery products.

An extended warranty, at no additional cost, that provides the same coverage as the original manufacturer's warranty would provide an incentive for manufacturers to design their products with additional longevity. This would drive innovation in the design of their product if their extended, no-charge warranty was three or more years, with the incentive that the producer may reduce the weight of its supply data for each of those years by 10 per cent of the weight supplied with the warranty in each of those years.

A processor and refurbisher guideline will support the required standards that must be met by processors and refurbishers in order for the tonnage processed by those companies to count toward a producer's recovery requirement. The guideline should make a clear distinction between repair and refurbishment. Refurbishing should be clearly defined as a product being put back on the market, versus repair which does not entail a resale of the product. The guideline, as well as increased checks and enforcement, will help support and prevent any producers from falsely calling a product refurbished just to meet their management requirement.

Promotion and Education

Promotion and education should be clear on what types of EEE and batteries can be recycled and which cannot. In addition, the requirements for promotion and education should be expanded to be clear on how repair services, parts and tools are made available to consumers and how producers shall make these tools available and accessible to rural, northern and remote communities.

The regulations should be clear on what types of communication are required (i.e.: radio, television, social media campaigns, etc.) and should also include non-digital media forms such as print to increase accessibility of information to rural, northern and remote communities that may not have access to broadband internet service providers.

Further, the regulations should state that the producer, while responsible for all promotion and education, can delegate or engage with private parties to address these responsibilities to help meet their requirements.

Finally, the regulations do not offer a standard for those who market EEE and batteries in Ontario on visible extra fees related to resource recovery or waste reduction. Rather, the regulations leave it up to

**Niagara Region's Response to Consultation Sessions:
Proposed Producer Responsibility Framework for WEEE and Batteries**

seller whether they identify the charge or not. Niagara Region supports all-in pricing to make it simpler for the consumer.

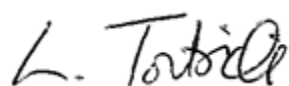
Registration, Record Keeping, Reporting and Auditing

The regulations should require collection sites to register and confirm that they are an active collection site for EEE and batteries. In Niagara, there has been some confusion with respect to the collection of tires as some registered collectors are not actively collecting tires. As such, the regulations should require collection sites to register with confirmation of active collection.

The regulations state that municipalities, acting as collectors, must keep records relating to EEE and batteries at their sites. Specifically, the draft regulations state that if the site receives more than 15 units or 150 kg of EEE, or more than 15 kg of batteries, from a person on a single day, the operator of the site must record the person's name, contact information, any unique identifier assigned by the Registrar and the amount of EEE or batteries accepted. Niagara Region is not supportive of keeping or maintaining these records as it is impractical and unnecessary for municipal collection sites. We support the exclusion of municipal sites from these record keeping requirements as municipal sites manage a wide range of materials from the public to ensure they are properly managed and are extremely busy.

Thank you again for the opportunity to provide comments on the regulation. Niagara Region looks forward to continued engagement with the Ministry, and sharing our unique municipal perspective as we work together to create a circular economy for Ontario.

Regards,



Lydia Torbicki
Director, Waste Management Services (Acting)

cc: Mr. R. Tripp, CAO (Acting)
Ms. C. Habermehl, Commissioner, Public Works Department (Acting)

November 25, 2019

VIA WEBFORM

Jamie Haldenby
Ministry of the Environment, Conservation and Parks,
Program Management Branch – Program Oversight
40 St. Clair Avenue West
4th Floor
Toronto, ON
M4V 1M2

Dear Ms. Haldenby:

RE: ERO 019-0671 Changing the Mandate of the Resource Productivity and Recovery Authority

Niagara Region Waste Management Services is submitting the comments below in response to ERO 019-0671. We thank you for the opportunity to share our municipal perspective and look forward to continued engagement with the province.

In the development of mandate and program changes for the Resource Productivity and Recovery Authority (RPRA), Niagara Region encourages consultation with stakeholders, including municipalities. Niagara Region is generally supportive of the move to digital reporting as a means of increasing efficiency and accessibility as well as reducing paper waste. With respect to specific program changes, Niagara Region recommends consideration of recycling programs for materials such as shingles, mattresses, carpets, porcelain and concrete. Finally, the continued oversight of new and existing programs by the Province is recommended.

We appreciate your consideration of these comments.

Respectfully submitted,



Catherine Habermehl
Director, Waste Management Services

Encl.

**Niagara Region Waste Management Services Response on MECP's Proposal
"Changing the Mandate of the Resource Productivity and Recovery Authority"
ERO number- 019-0671**

Proposed Changes

1. Change RPRA's mandate to include digital reporting services, fee setting, and cost recovery for other programs beyond producer responsibility

1.1 We are proposing to have RPRA collect information for other programs beyond resource recovery and waste reduction. This would include having RPRA carry out registration of programs and overseeing reporting, data management and fee collection for duties related to waste, beyond waste reduction, or resource recovery. This would save all businesses money as a larger group of system users would be sharing common costs.

1.2 RPRA currently sets and collects fees to recover the costs for administering programs under the RRCEA. We are proposing changes to allow RPRA to set and collect fees for the digital reporting services they would be providing for any new programs they take on. The fees would include costs incurred by the ministry for program oversight, compliance and enforcement.

Comments:

Niagara Region is supportive of the move to digital reporting and online processes as a means of increasing efficiency and accessibility as well as reducing paper waste.

In terms of expanding the mandate of RPRA to collect information for programs beyond resource recovery and waste reduction, Niagara Region seeks clarification on the types of programs that potentially fall under this expanded oversight (i.e. municipal organics programs, landfill disposal) and recommends consultation with affected parties, including municipalities. As the mandate is expanded, the Region would like to see a focus on recycling programs for materials such as shingles, mattresses, carpets, porcelain and concrete.

In setting fees for digital reporting services, Niagara Region recommends Provincial guidance in defining parameters and overseeing implementation.

2. Maintain government oversight for the programs that will transition to RPRA. We are proposing to allow the ministry to set guidance on fee structures for the programs that RPRA will be providing digital reporting services.

2.1 Compliance and enforcement for future programs taken on by RPRA will remain the responsibility of the ministry. RPRA would be responsible for operating the digital reporting service to ensure reports are complete and related fees are collected. We are not proposing any changes to the existing ministry oversight of RPRA.

Comments:

Niagara Region supports the continued role of the ministry in providing oversight on all new and existing programs taken on by RPRA as a means of maintaining program consistency, quality and accountability.

3. Make other associated changes

3.1 Currently, the ministry recovers its program costs through an Order in Council. We are proposing to recover all ministry costs more efficiently through a Minister's Order.

3.2 The WDTA sets out RPRA's responsibilities, including its responsibility to oversee the transition of waste diversion programs operated by industry funding organizations (IFOs), to the new extended producer responsibility framework under the RRCEA. We propose to amend the WDTA to allow the transfer of residual surplus funds left at the end of transition, from an IFO to RPRA. While most funds are spent during program transition, some funds may still remain at the end of the transition. This change would allow those residual funds to go to RPRA, where they would be used to reduce fees and financially benefit the regulated community related to the program being transitioned.

3.3 We are also proposing to permit future regulations that could assign additional duties and powers to RPRA. The ministry would consult on any future regulations.

Comments:

As it would be difficult to ensure a net zero sum at the end of transition and to avoid a negative funds scenario, it would be necessary to hold a surplus to ensure sufficient funds are available until the end of the transition period. Niagara Region supports the transfer of these residual funds to RPRA. The Region encourages a fair and equitable process to determine the best application of these funds. The process should be transparent and clearly identify which parties will benefit from the surplus funding.

With respect to Ontario Electronic Stewardship (OES), the Minister, in a letter to RPRA on April 2, 2019, stated that any surplus funds that OES does not need for program operations or wind up costs be used for the benefit of Ontario consumers. As the consumers have paid the environmental handling fees, the Minister stated that the consumers must benefit from the surplus. While the consumer fees were eliminated as

of February 1, 2019 to draw down the surplus, any remaining funds that are being considered for transfer to the RPRA should meet with the Minister's approval.

Proposed program to transition to RPRA

The first digital reporting service we are proposing to transition to RPRA is for the Hazardous Waste program. In 2020, we will be consulting on specific regulatory changes related to Hazardous Waste.

Currently the Hazardous Waste program's digital reporting service is difficult to use resulting in the majority of reports being submitted on paper (e.g. manifests). To make reporting easier, we are proposing to have RPRA develop and deliver a digital reporting service for this program.

Comments:

Niagara Region is supportive of the move to digital reporting and online processes as a means of increasing efficiency and accessibility as well as reducing paper waste.

The stakeholders who will be required to utilize the reporting service, specifically including municipalities, must be involved in the development of this new system.

MEMORANDUM

PWC-C 5-2020

Subject: Linking Niagara Transit Committee Endorsement of Niagara Specialized Transit Study Report

Date: February 11, 2020

To: Public Works Committee

From: Ann-Marie Norio, Regional Clerk

The *Niagara Transit Governance and Service Strategy, 2017* by Dillon Consulting (Dillon Report) identified the need to undertake a further study to develop a strategy on specialized transit services within the larger governance framework of consolidated Regional transit services. The results of the Niagara Specialized Transit Study will serve as an input to the Transit Governance Study currently underway.

At its meeting held on January 29, 2020, the Linking Niagara Transit Committee considered the Niagara Specialized Transit Study Report (LNTC-C 2-2020) and subsequently endorsed the study. The motion is provided below for your information.

Minute Item 5.1

LNTC-C 2-2020

Specialized Transit Study Report

That Report LNTC-C 2-2020, dated January 29, 2020, respecting Specialized Transit Study Report, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the recommendations of the Specialized Transit in Niagara Region study, as described in Report LNTC-C 2-2020, **BE ENDORSED**; and
2. That a copy of Report LNTC-C 2-2020 **BE CIRCULATED** to the Local Area Municipalities.

A copy of Report LNTC-C 2-2020 and the minutes of the Linking Niagara Transit Committee meeting held on Wednesday, January 29, 2020, are attached to this memorandum.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

Subject: Specialized Transit Study Report

Report to: Linking Niagara Transit Committee

Report date: Wednesday, January 29, 2020

Recommendations

1. That the recommendations of the Specialized Transit in Niagara Region study **BE ENDORSED**; and
2. That a copy of this report **BE CIRCULATED** to the local area municipalities.

Key Facts

- The purpose of this report is to provide the results of the Specialized Transit in Niagara Region study (IBI Group, 2020).
- The *Niagara Transit Governance and Service Strategy, 2017* by Dillon Consulting (Dillon Report) identified the need to undertake a further study to develop a strategy on specialized transit services within the larger governance framework of consolidated Regional transit services.
- The Inter-Municipal Transit (IMT) Service Implementation Strategy (LNTC 21-2018) endorsed this study as a key workplan item.
- This Study has been headed by a project team consisting of staff from the Inter-municipal Transit Working Group (IMTWG).
- The results of this study will serve as an input to the Transit Governance Study currently underway.

Financial Considerations

There are no financial impacts arising out of this report, however there will be financial impacts in carrying forward these recommendations. Staff will bring forward an update report once the recommendations contained in this report are resolved for further direction from LNTC.

Analysis

Study Team

The team was composed of staff members from St. Catharines, Niagara Falls, Welland, Niagara Region, and Fort Erie transit systems.

Stakeholder Consultation

Extensive stakeholder consultation was carried out as part of this Study including:

- Public Information Centres (PICs) – Two rounds of PICs, each involving two separate PICs were held. Round 1 was held upon completion of the exiting conditions and the common industry practices. Round 2 was held to get public feedback on the recommended approach. In total over 50 people attended these events.
- Surveys – Surveys were carried out using online and paper based methods. The paper-based survey was distributed to riders in specialized transit vehicles operated by Niagara Region and area municipalities. Additionally, off-board survey forms were distributed to the attendees of the Round 1 PICs, and through the area municipalities. In total 250 surveys were returned.
- Focus Group Meetings were held with Niagara Health and Community Organizations, Niagara Region's Accessibility Advisory Committee (AAC), the IMTWG, the LNTC, Niagara Region Seniors Services, and First Nations.

The public and stakeholder consultation, plus the review of peer transit systems and a review of specialized transit in Niagara informed the key recommendations of the study. In late 2019, it was identified that there was a need for additional consultation with the AAC. Staff completed this consultation on January 7th, 2020 and the AAC approved the recommendations of the report. Niagara Region staff have committed to ongoing consultation with the AAC on the implementation of the recommendations contained in the study.

The goals of this Study were to:

1. Review the specialized transit systems in Niagara;
2. Project ridership demand;
3. Develop financial forecasts; and,
4. Recommend service enhancements for specialized transit.

These goals were achieved through the following research, data collection and interpretation, and community consultation.

Baseline information on existing municipal specialized transit services was developed using: the operating data trends for Niagara Specialized Transit, Niagara Falls Chair-A-Van, St. Catharines Para Transit, WellTrans, Fort Erie Accessible Transit (FAST), Pelham Specialized Transit, and Niagara-on-the-Lake Accessible Transit Service; and a scan of the private and not-for-profit service providers.

Future specialized transit ridership demand was developed using a comprehensive demand forecast. Projected ridership was then used to estimate the future operating and capital costs.

A review of Niagara Specialized Transit operations was conducted to identify the current challenges with the system and provide recommendations on how to improve existing service. The key findings of this review are:

- Riders have a favourable view of drivers and staff
- Difficulty booking trips—including need to call multiple agencies (municipal & regional travel)
- Poor on-time performance or rides do not show up
- Excessive travel times
- Inconsistent eligibility criteria and processes
- Residents of communities without specialized transit (i.e. West Niagara) feel disadvantaged in terms of equity and access

These key findings as well as a review of the specialized transit systems for peer systems (Durham Region Transit, Grand River Transit, and York Region Transit) and technological trends in specialized transit inform the recommendations outlined below.

The project team established guiding principles to help develop the key recommendations. These principles were:

- **Preserve the integrity** of the Region's specialized transit services for those with no alternative
- **Maximize the benefits from investments** made in accessible fixed route transit and provide flexible mobility options
- **Compliance with the Accessibility for Ontarians with Disabilities Act (AODA)** and principles of universal design
- **Be fiscally responsible and accountable**

The guiding principles were coupled with the objectives of maximizing use of existing resources, increasing efficiency in service delivery, enhancing the customer experience,

and leveraging use of technology to improve future services to create recommendations for change that do not compromise service to the ridership.

Key Recommendations

The key recommendations are grouped into six areas and are as follows:

1. Eligibility & Certification of Riders

- Process be centralized under a single entity
- A single application form be used by all specialized transit operators in the region
- Digital application form available to applicants with the ability to complete and submit on-line
- Remove the requirement for validation by a health care professional and in-person assessments be introduced as part of this process
- Applicant's certification reflect categories of: *unconditional, temporary, and conditional (trip-by-trip)*
- Re-certification every five years for all applicants

2. Trip Reservation & Scheduling

- The reservations/trip request and scheduling functions be centralized under a single entity
- Enable registrants to make reservations/trip requests by telephone, mobile app and/or web-portal (*One-Call/One-Click* capability)
- Scheduling (route optimization, allocation of resources) to use state-of-the-art, commercially available software with a robust scheduling algorithm

3. Development of Policies, Procedures, and Performance Metrics

- Governing entity develops a robust set of policies, procedures and performance metrics. Policies and procedures to include but not be restricted to:
 - Advance booking requirements
 - Scheduling windows
 - Cancellations and no-shows
 - Fare policy
- Performance metrics to reflect industry norms regarding key performance indicators (KPIs) including requirements for service monitoring, contract compliance and CUTA reporting

4. Service Delivery (Dispatch and Trip Management)

- Core specialized transit services to be provided by, and to a level of service as currently provided by the aggregate of the municipal and regional specialized transit providers
- Supplement existing core services by the use of taxis and/or transportation network companies (TNCs) to accommodate trip requests during times of day, days of week, or areas of service, when the deployment of hourly service would not meet prescribed performance metrics or to provide 'overflow' capability
- Use supplemental services, as described above, to accommodate future travel demand/expansion of specialized transit services

5. Greater Link/Integration with Fixed-Route Transit Services

Recognizing that specialized transit is shared ride public transit for those unable to use accessible fixed route transit, and with an eye on a greater link or integration with accessible fixed-route transit, the following are recommendations:

- Apply conditional/trip-by-trip eligibility whereby for specialized transit registrants categorized as 'conditional' and where conditions can be determined (e.g. seasonal, climate/weather, topography, accessible paths of travel, proximity of trip origin/destination to fixed-route service, etc.)
- Develop incentives and policies to address travel/mobility demand management strategies that may include but not be restricted to: travel/mobility training, fare policy, trip discovery/planning capabilities, etc.

6. Next-Generation Mobility

The following next-generation mobility (operations, service delivery, and technology) strategies be advanced:

- Introduce a Specialized Transit Same-Day Pilot Program through partnerships with taxi and/or transportation network companies (TNCs)
- Technology enhancement that include:
 - Real-time passenger information including the broadcast (text message or telephone call) of vehicle arrivals
 - Self-service capabilities through an app and/or web portal to address registration, trip planning, reservations, confirmations and cancellations
 - Introduction of mobile (cashless) payment

Recommendations have been outlined under short-term (0 to 2 years), and medium-term (2 to 5 years).

Short-Term (0 to 2 years)	Medium-Term (2 to 5 years)
<ul style="list-style-type: none"> • Harmonized application form • Centralized eligibility & certification process • Development of policies, procedures, and performance metrics • Centralized scheduling • Expanded use of supplemental services • Same-Day Pilot Program 	<ul style="list-style-type: none"> • Technology – real-time information, self-serve capabilities, cashless payment • Greater integration with fixed-route transit

It is worth noting that the Specialized Transit in Niagara Region report (IBI 2020) and its recommendations will serve as an input to the Transit Governance Study currently being undertaken by Optimus SBR under the direction of a CAO Working Group consisting of municipal CAO's.

Alternatives Reviewed

The specialized transit travel demand forecast was developed to inform the future operating and capital needs with the growth projected under the Business as Usual (BAU), and High Growth scenarios. These forecasts project specialized transit clients and trips for the two scenarios for the years 2018 (Base), 2021, 2026, and 2031.

Order of Magnitude financial impacts were assessed under the same two service delivery scenarios:

BAU Scenario	Business as Usual—No change in how service is delivered
Intervention Scenario	Interventions/ Alternate Delivery Framework <ul style="list-style-type: none"> • accommodating an increasing number of trips on accessible fixed-route transit services • greater use of supplemental (taxis or transportation network company) services to accommodate trip requests when the deployment of regular service would not meet prescribed performance metrics or to provide 'overflow' capability • accommodating future service expansion with the use of supplemental service providers

Table 1 and Table 2 demonstrate the order of magnitude with respect to operating cost impacts under the two scenarios described above.

As shown in Table 1 under a BAU scenario, the ridership grows by 20% to 2031 however, the operating cost grows by 38%. In the event of high growth scenario the ridership grows by 40% but operating cost increases by 61%. The exponential growth in operating cost under a high growth scenario could be unsustainable, therefore, alternatives should be examined to determine if there are solutions for containing operating costs while ridership increases.

Table 1: Operating Costs – BAU Scenario					
	Base Year		Medium Growth		High Growth
	2018	2021	2026	2031	2031
Specialized Transit Trips	124,700	129,900	139,200	149,500	174,100
Growth over Base		4%	12%	20%	40%
Net Operating Cost	\$5,667,000	\$6,082,000	\$7,012,000	\$7,811,000	\$9,142,000
Variance over Base		7%	24%	38%	61%

Table 2 shows how specific interventions can result in a reduction in the net operating cost due to increasing number of trips being delivered through alternative methods such as increased integration with conventional transit and use of technology enabled Transportation network companies (TNCs) and taxi-cabs. Under the Intervention Scenario, the actual impact to Specialized Transit is reduced. Ridership growth to 2031 only increases by 8% and net operating costs are partially offset resulting in a lower variance over base by 2031 because ridership is shifted to conventional transit in the range of 4%-12% and 30-40% of the ridership also shifts to TNCs or taxis.

Table 2: Operating Costs – Intervention Scenario				
	Base Year	Medium Growth		
	2018	2021	2026	2031
Specialized Transit Trips Alternative Delivery¹		4,400	9,900	15,300
Specialized Transit Trips	124,700	126,600	132,100	136,700
Growth over Base		1%	6%	10%
Net Operating Cost	\$5,667,000	\$5,348,000	\$5,769,000	\$5,953,000
Variance over Base		(6%)	2%	5%
1 Estimated trips to be delivered through alternative means (Taxis & TNCs)				

Table 3 shows the aggregated 10 Year Capital Forecasts based on their fleet replacement and expansion projections by major municipal transit service providers (St. Catharines Transit, Niagara Falls Transit, and Welland Transit) under the BAU Scenario. It is assumed the fleet requirements would still apply under the Intervention Scenario to form part of the core operations with the growth in demand handled through an alternative delivery framework. Specialized transit scheduling software was identified as a short term need under the Intervention Scenario and included in the forecasts.

Table 3: Specialized Transit Capital Costs				
	Short Term	Medium Term	Long Term	10 Year Total
	2020-2021	2022-2024	2025-2028	
# Vehicles	9	8	8	25
Vehicle Cost	\$1,620,000	\$1,325,000	\$1,610,000	\$4,555,000
Technology Costs (Scheduling Software)	\$400,000			\$400,000
Total	\$2,020,000	\$1,325,000	\$1,610,000	\$4,955,000

Continuing with business as usual was considered as an alternative, however this would result in a missed opportunity to optimize the current specialized transit services in light of jurisdictional barriers and recent technological changes. Additionally, the service cost increases due to the future ridership demand would not be sustainable.

Relationship to Council Strategic Priorities

- Responsible Growth and Infrastructure Planning

Objective 3.1: Advancing Regional Transit and GO Rail Services

Advance and advocate for Niagara's effort towards integrated and efficient conventional, specialized and higher order transit, enabling seamless and connective travel for all people throughout Niagara, the Hamilton area and the Greater Toronto area.

Other Pertinent Reports

LNTC-C 5-2019	Specialized Transit Study Update
LNTC-C 12-2019	Transit Governance Study Update
LNTC-C 9-2018	Niagara Specialized Transit Review Terms of Reference

Prepared by:

Robert Salewytch
Program Manager Transit Services
Public Works

Recommended and Submitted by:

Ron Tripp, P.Eng.
Acting, Chief Administrative Officer /
Commissioner of Public Works

This report was prepared in consultation with Adam Arbour - St. Catharines Transit Commission, Sue Wheeler and Carla Stout - Niagara Falls Transit, Alicia Moore - Welland Transit, Jennifer Pennell-Ajie - Fort Erie Transit, Steve Murphy, Accessibility Coordinator, and reviewed by Heather Talbot - Corporate Services Finance, and Matt Robinson – Director GO Implementation.

**THE REGIONAL MUNICIPALITY OF NIAGARA
LINKING NIAGARA TRANSIT COMMITTEE
MINUTES**

**LNTC 1-2020
Wednesday, January 29, 2020
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Campion (Mayor - Welland), Redekop (Mayor - Fort Erie), Sendzik (Mayor - St. Catharines), Fertich (Regional Councillor), Ip (Regional Councillor); M. Siscoe (Municipal Councillor - St. Catharines) (Committee Chair), L. Van Vliet (Municipal Councillor - Welland) (Committee Vice-Chair); S. Chemnitz, Chief Administrative Officer (St. Catharines), G. Long, Chief Administrative Officer (City of Welland) M. Robinson, Director, GO Implementation Office (Niagara Region), , K. Todd, Chief Administrative Officer (City of Niagara Falls)

Absent/Regrets: C. Dabrowski (Municipal Councillor – Niagara Falls), G. Miller (Municipal Councillor – St. Catharines), R. Tripp, Acting Chief Administrative Officer (Niagara Region)

Other Councillors: Bradley (Regional Chair)

Staff: M. Evely, Legislative Coordinator, C. Lam, Program Financial Analyst, R. Salewytch, Program Manager, Transit Services, H. Talbot, Financial & Special Projects Consultant, L. Tracey, Project Coordinator, GO Implementation, M. Trennum, Deputy Regional Clerk

Others Present: T. Luey, St. Catharines Transit, S. McGean, Township of West Lincoln, G. Morrison, St. Catharines Transit

1. CALL TO ORDER

Committee Chair Siscoe called the meeting to order at 2:03 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. **PRESENTATIONS**

3.1 **Specialized Transit Study - Final Report and Recommendations**

Steve Wilkes, Project Manager, IBI Group, provided information respecting Specialized Transit Study - Final Report and Recommendations. Topics of the presentation included:

- Guiding Principles
- Recommendations
 - Eligibility and Certification
 - Reservations & Scheduling
 - Policies, Procedures, and Performance Metrics
 - Service Delivery
 - Greater Link/Integration Fixed Route Transit Services
 - Same-Day Pilot Program
 - Technology
- Growth Strategy/Financial Plan
- Implementation Plan

4. **DELEGATIONS**

There were no delegations.

5. **ITEMS FOR CONSIDERATION**

5.1 **LNTC-C 2-2020**

Specialized Transit Study Report

Moved by Councillor Ip

Seconded by L. Van Vliet

That Report LNTC-C 2-2020, dated January 29, 2020, respecting Specialized Transit Study Report, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the recommendations of the Specialized Transit in Niagara Region study, as described in Report LNTC-C 2-2020, **BE ENDORSED**; and
2. That a copy of Report LNTC-C 2-2020 **BE CIRCULATED** to the Local Area Municipalities.

Carried

6. CONSENT ITEMS FOR INFORMATION

Moved by Councillor Redekop
Seconded by Councillor Campion

That the following items **BE RECEIVED** for information:

LNTC-C 1-2020
Fare Technology Update

LNTC-C 3-2020
Accessibility Advisory Committee Endorsement of Niagara Specialized Transit
Draft Report

Carried

7. OTHER BUSINESS

7.1 Additional Linking Niagara Transit Committee Meetings

Committee Chair M. Siscoe advised committee that an additional meeting of the Linking Niagara Transit Committee will be held on March 4, 2020. He advised that, the Linking Niagara Transit Committee meeting to be held on April 4, 2020 would be rescheduled to April 22, 2020. He noted this revised schedule allows for alignment with key project milestones of the governance review and the Inter-Municipal Transit West deployment.

7.2 Transit Fares for Niagara College Students

Councillor Sendzik requested an update respecting the renegotiation of student transit fares with Niagara College. Matt Robinson, Director, GO Implementation Project, advised that staff from the Niagara Region and Niagara College have had on-going discussions respecting student transit fares and there is a draft agreement in place.

7.3 Availability of Niagara Specialized Transit

Councillor Sendzik brought forward a concern from the Alzheimer's Society of Niagara respecting the technology issues being experienced by Niagara Specialized Transit, such as lost bookings. Rob Salewysch, Program Manager, Transit Services, stated that staff have not been advised of any concerns from the Alzheimer's Society of Niagara; however, there are on-going discussions with the service operator to find solutions to any system error and service users experiencing any issues are encouraged to contact staff.

8. NEXT MEETING

The next meeting will be held on Wednesday, March 4, 2020 at 2:00 p.m. in the Council Chamber.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 2:41 p.m.

Mat Siscoe
Committee Chair

Mark Evely
Legislative Coordinator

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk