
MEMORANDUM

PWC-C 22-2021

Subject: MRF Phase 4 Opportunity Review – Chronology of Events and Update on NRFP

Date: Tuesday, June 15, 2021

To: Public Works Committee

From: Catherine Habermebl, Director, Waste Management Services

The purpose of this memorandum is to provide the chronology of events related to the to Material Recycling Facility (MRF) Phase 4 Opportunity Review and an update on the negotiated request for proposal (NRFP) process, as requested during the April 13, 2021 Public Works Committee (PWC) meeting.

Background

The purpose of the MRF Opportunity Review is to develop a recommendation for the preferred MRF ownership structure and related recycling processing contract for Niagara Region, considering the provincial producer responsibility legislation and proposed regulation for the residential Blue Box program may potentially result in the MRF becoming a devalued asset.

The proposed regulation, under the Resource Recovery and Circular Economy Act (RRCEA), which would make producers responsible for operating the residential Blue Box program, was released for comment on October 19, 2020 by the Ministry of the Environment, Conservation and Parks (MECP). Under this regulation, the costs of the program would be removed from the municipal taxbase and producers of products and packaging would be fully responsible for the waste they create.

The MECP indicated the program will transition to full producer responsibility between 2023 and 2025 and municipalities will no longer have financial or operational control of the program on their respective transition date. Niagara Region will no longer control where residential Blue Box materials will be processed and as a result, the MRF may be a stranded asset.

Niagara Region's preferred date to transition the residential Blue Box program to full producer responsibility is as early as possible in the transition period, which is on January 1, 2023, based on the initial cost benefit analysis. However the draft MECP transition schedule identifies Niagara Region as transitioning during 2024.

The MECP had previously identified that the final regulation would be issued in the spring of 2021, however there has been no response from the province regarding a revised timeline for both the regulation and the municipal transition schedule.

Overview of MRF Opportunity Review Phases

The review consists of four phases, of which three are complete and were fully funded through Resource Productivity and Recovery Authority's Continuous Improvement Fund (approximately \$146,000). The resulting reports have been provided to Niagara Region Waste Management Planning Steering Committee (WMPSC) and PWC, most recently resubmitted as part of the September 8, 2020 PWC meeting package (Confidential PWC-C 35-2020 A Matter of Security of the Property of the Municipality under s.239(2) of the *Municipal Act, 2001* – Phases 1 to 3 MRF Opportunity Review). The completed phases consist of the following:

1. Phase 1 - MRF Market Appraisal of Buildings and Land was completed by D. J. Penwarden Appraisals Ltd. through the RFQ process.
2. Phase 2 - MRF Processing Lines and Systems, Rolling Stock and Equipment State of Repair Assessment and Valuation was completed by Holliday Recycling Technologies Inc. through CIF's RFQ process.
3. Phase 3 - MRF Business Valuation, Strategic Option Evaluation and Market Analysis completed by RSM Canada LLP through RFP process.

Although the Phase 3 report did identify preferred MRF ownership options that represented the best value for money and would best position Niagara Region to transition to full producer responsibility, based on the report's narrow scoring between the short-listed options, it was recommended that Niagara Region should consider further work in Phase 4. Until the options are actually presented to the market and submissions are received, it is speculative as to what cash value would be provided to Niagara Region for the MRF buildings, equipment and property.

Phase 4 is in progress and utilizes two primary consultants engaged through RFP procurement processes:

- MNP Corporate Finance Inc. is the transaction advisor/project consultant; and

- Optimus SBR Inc. is project fairness advisor.

Based on formal direction from Niagara Region Council in 2018 and most recently through Confidential Report PW 17-2020, dated June 16, 2020, the NRFP is in process of being developed. It should be noted that on April 30, 2018, WMPSC passed a motion for a reconsideration regarding proceeding with the NRFP, but it was defeated at the May 15, 2018 PWC meeting.

Current Status

Progress on the NRFP was reduced over the past year primarily due to the delay in the release of the draft Blue Box regulation, which was expected to have further informed the process, along with a change in consultant team members and the COVID-19 pandemic. There was also a reconsideration of one of the Confidential PW 17-2020 recommendations in Confidential PW 19- 2021, which was approved by Niagara Region Council on April, 2021 and affected the content in the NRFP.

A summary of the milestone NRFP activities is provided below, in Table 1. The timelines are estimated and are subject to change based on staff resource constraints. Additionally, staff will report back to Committee if material changes occur during the process or new, substantive information is brought forth (e.g. final residential Blue Box regulations delayed by the Ministry of Environment, Conversation and Parks).

Table 1 - Summary of Milestone NRFP Activities

Estimated Date	NRFP Milestone
August/September 2021	Issuance of NRFP
September - November 2021	Open procurement process, including but not limited to proponent meeting, MRF site visit, review and issuance of addenda
November/December 2021	Submission deadline
1 st Quarter 2022	Completion of submission evaluation and negotiation period with final proponent(s)

Estimated Date	NRFP Milestone
2 nd Quarter 2022	Recommendation for award and execution of applicable agreement(s), if applicable
December 2022	Close transaction, if applicable

Chronology of Events Related to the MRF Opportunity Review

The chronology of events related to the MRF Opportunity Review is contained in Appendix A. It begins more than five years ago with the milestone release of Bill 151, the proposed Waste-Free Ontario Act (WFOA), which was the enabling legislation providing a framework to place full responsibility on producers for the residential Blue Box materials at end of life. The potential risk that municipally owned MRFs could become stranded assets was raised by staff at that time and throughout the process to date to Niagara Region Committees/Council. This risk has been relayed as a major concern to the province in comments submitted by Niagara Region, other municipalities and industry/municipal organizations.

Niagara Region Committee motions, recommendations and staff updates related to this project are also included in the chronology to provide context.

Respectfully submitted and signed by

Catherine Habermebl
Director, Waste Management Services

Appendices

Appendix A - Chronology of Events Related to the MRF Opportunity Review

Appendix A - Chronology of Events Related to the MRF Opportunity Review

Date	Milestone
Nov. 26, 2015	<p>Province released Bill 151, the proposed Waste-Free Ontario Act (WFOA), enabling legislation which provided a framework to place full responsibility on producers for the Blue Box materials (packaging and products) at end of life.</p> <p>It was anticipated at that time that the draft legislation would be amended based on municipal input and potentially be passed in summer 2016. Ministry of Environment and Climate Change (MOECC) indicated that the full Blue Box program transition is expected to take 3-5 years.</p> <p>The issue of service delivery, funding and stranded assets was not yet dealt with by the MOECC or the producers.</p>
Feb. 1, 2016 WMPSC Meeting	<p>Staff presentation on implications of the proposed WFOA, with recommendations for next steps.</p> <p>Staff recommended that following the passing of the WFOA and subject to amendments made to the legislation based on results from stakeholder consultation, that recommendations for MRF processing operations be developed – see excerpt below:</p> <ul style="list-style-type: none"> • Subject to the amendments made to the draft legislation and the timing for the passing of the legislation (summer 2016): <ul style="list-style-type: none"> i) Engage in discussions with collection contractors to extend contracts beyond March 2019 for a two year period (series of two one-year extensions) or Issue tender for new contract to begin March 2019 ii) Develop recommendations for MRF processing operations <p>WMPSC subsequently recommended to Public Works Committee (PWC):</p> <ul style="list-style-type: none"> • That staff ENGAGE in discussions with collection contractors in quarter one of 2016 to extend contracts beyond March 2019 for a two year period and provide a report on the findings in quarter two of 2016;

Date	Milestone
	<p>and</p> <ul style="list-style-type: none"> That staff DEVELOP recommendations for the Material Recovery Facility processing operations. <p>Related Councillor Information Request(s) from Feb. 1, 2016 WMPSC meeting:</p> <ul style="list-style-type: none"> Provide a memo to Council that explains the various options available for potential contract extensions. Councillor Augustyn. Consider extending the Material Recovery Facility processing operations contract to align with the collection contract extension. Councillor Quirk.
Feb. 16, 2016 PWC Meeting	<p>PW 12-2016 Comments on Proposed Waste-Free Ontario Act and Collection Contract Implications</p> <p>Subset of recommendations that deal directly with the MRF excerpted below:</p> <ol style="list-style-type: none"> That staff DEVELOP recommendations for the Material Recovery Facility processing operations for Committee's consideration <p>PWC made the additional following amendments at the Feb. 16, 2016 meeting:</p> <ol style="list-style-type: none"> That staff NEGOTIATE with Halton Recycling Ltd. doing business as Emterra Environmental and Progressive Waste Solutions Ltd. (collection contractors) and Niagara Employment Agency Inc. (Niagara Recycling) on incremental changes to standardize collection services and report back to Committee with recommendations and associated pricing for standardization options as part of the one year collection contract extensions to March 2019 and April 2019, respectively; That staff ENGAGE in discussions with collection and processing contractors in quarter one of 2016 to extend contracts beyond March/April 2019 for a two-year period and provide a report on the findings in quarter two of 2016; That staff DEVELOP recommendations for the Material Recovery

Date	Milestone
	<p>Facility processing operations for Committee's consideration.</p> <p>As part of the comments on the proposed WFOA, the Region requested that the Province include the following in the final legislation:</p> <ol style="list-style-type: none"> 1. Producers should fund all the costs to manage their designated products and packaging including the costs of managing designated material in municipal garbage/litter streams. 2. A fair and transparent process for determining compensation is needed in the event there are stranded municipal assets e.g. Recycling Centre and Municipal Hazardous and Special Waste (MHSW) Depots. <p>The report also noted that the supporting regulations to the legislation were expected to include more details on impact to collection contracts and potentially compensation for assets. The regulations would be developed after the legislation is passed and would be subject to additional public consultation.</p>
<p>May 30, 2016 WMPSC Meeting</p>	<p>Staff presentation to WMPSC on status of negotiations with collection contracts.</p> <p>Memo WMSPC-C 24-2016 Status of Bill 151, Waste-Free Ontario Act, 2016</p> <p>Memo noted the following:</p> <ul style="list-style-type: none"> • Bill 151 expected to become law January 2017 <ul style="list-style-type: none"> - High-level enabling legislation that provides the framework to place full responsibility of the end of life management of products and packaging on producers - Uncertainty concerning the municipal role in the new producer responsibility framework - Issue of service delivery, funding and fair compensation to municipalities is still to be addressed through future regulations <p>Related Councillor Information Request(s) from May 30, 2016 meeting:</p> <ul style="list-style-type: none"> • Provide information outlining options for the Material Recovery Facility pending legislative changes. Councillor Petrowski.

Date	Milestone
<p>July 12, 2016 PWC Meeting</p>	<p>PWC 35-2016 Extension to Collection Contracts and Recycling Processing Contract</p> <p>Recommendations for collection and processing contract extension to March 2021 were approved.</p> <p>The report noted an evaluation of opportunities with regards to the MRF is in progress and staff will be reporting back to Committee with alternatives. Although the recycling processing agreement with Niagara Recycling is being recommended for an extension to align with the collection contracts, clauses will allow for early termination with a six month notice.</p>
<p>Oct. 31, 2016 WMPSC Meeting</p>	<p>Memo WMPSC-C 50-2016 Bill 151 Waste Free Ontario Act Update</p> <p>Memo provided an update on Bill 151 Waste Free Ontario Act and the proposed Waste Diversion Transition Act (Note: The October 31, 2016 meeting was cancelled due to lack of quorum and the memo was subsequently placed on the agenda of the Dec 12, 2016 WMPSC meeting but quorum was lost before it was received. The memo was then placed on the January 10, 2017 PWC agenda.)</p>
<p>Jan. 23, 2017 WMPSC Meeting</p>	<p>Staff presentation to WMPSC with an update on WFOA:</p> <ul style="list-style-type: none"> • On November 30, 2016, the Province proclaimed the Resource Recovery and Circular Economy Act, 2016 and the Waste Diversion Transition Act, 2016, enacted by WFOA. • On December 16, 2016, the Final Draft for the Strategy for a Waste-Free Ontario: Building a Circular Economy was released and noted transition plans will consider how to address municipal contracts and assets and how to avoid stranded assets, but two remaining Niagara Region concerns were: <ul style="list-style-type: none"> • The Strategy identifies that consideration should be made on how to address municipal stranded assets, however provides no further details. Transition should address fair compensation for stranded municipal assets (e.g. Recycling Centre). • Accelerate Blue Box funding transition to 100% producer funded: <ul style="list-style-type: none"> - Increase funding percentage during transition; - Consultation should begin immediately; and

Date	Milestone
	<ul style="list-style-type: none"> - Address municipal contract implications and assets. • On January 9, 2017, the draft Transitional Operating Agreement between the Minister and the Resource Productivity & Recovery Authority was released. • The MRF Opportunity Review project development was identified as being in progress.
Mar. 20, 2017 WMPSC Meeting	<p>Memo WMPSC-C 17-2017 Waste Free Ontario Act Update</p> <p>Memo provided another status report on the MRF Opportunity Review but the WMPSC meeting was canceled due to lack of quorum. The memo was resubmitted for the May 15, 2017 WMPSC meeting.</p>
May 15, 2017 WMPSC Meeting	<p>Memo WMPSC-C 22-2017 Waste Free Ontario Act Update</p> <p>Memo provided a status report on the MRF Opportunity Review.</p>
June 26, 2017 WMPSC Meeting	<p>The presentation AMO Policy Approach to Waste Free Ontario Act, Extended Producer Responsibility and Blue Box Transition was provided by Dave Gordon, AMO to WMPSC.</p> <p>Memo WMPSC-C 27-2017 Status of Material Recycling Facility Opportunity Review</p> <p>Memo provided an update on the MRF Opportunity Review.</p>
Sept. 11, 2017 WMPSC Meeting	<p>Memo WMPSC-C 42-2017 – Transition of Blue Box Program</p> <p>Hon. Chris Ballard, Minister of the Environment and Climate Change, issued a letter on August 14, 2017, directing Resource Productivity and Recovery Authority (the Authority) and SO to develop a proposal for an amended Blue Box Program Plan.</p> <p>Memo WMPSC-C 47-2017 Status of Material Recycling Facility Opportunity Review</p> <p>Memo provided a status report on the MRF Opportunity Review.</p>

Date	Milestone
Oct./Nov. 2017	Stewardship Ontario released elements of the proposed amended Blue Box Program Plan, which provided more detail on potential service delivery options for collection and processing of Blue Box materials, for stakeholder feedback.
Nov. 20, 2017 WMPSC Meeting	<p>Staff presentation on Ontario Waste Free Act Update and the proposed amended Blue Box Program Plan which included potential service delivery options for collection and processing of Blue Box materials.</p> <p>Memo WMPSC-C 52-2017 Status of Material Recycling Facility Opportunity Review.</p> <p>Confidential Presentation - A Matter Respecting the Security of the Property of the Municipality - Update on Material Recycling Facility Business Valuation, Strategic Option Evaluation and Market Analysis.</p> <p>Confidential WMPSC-C 48-2017 A Matter of Respecting the Security of the Property of the Municipality – Material Recycling Facility Property and Building Appraisal and Equipment Valuation.</p> <p>The memo, report and presentation all provided updates on MRF Opportunity Review.</p>
Nov. 28, 2017 PWC Meeting	Staff presentation on Ontario Waste Free Act Update and the proposed amended Blue Box Program Plan to PWC which included potential service delivery options for collection and processing of Blue Box materials.
Dec. 19, 2017	Stewardship Ontario released the proposed amended Blue Box Program Plan, which provided more detail on potential service delivery options for collection and processing of Blue Box materials, for stakeholder feedback.
Mar 19, 2018 WMPSC Meeting	<p>Memo WMPSC-C 12-2018 Update on Amended Blue Box Program Plan</p> <p>Memo noted that the Resource Productivity & Recovery Authority and Stewardship Ontario released statements indicating that in light of the consultation results on the draft amended Blue Box Program Plan, that more time is needed to address the comments received.</p>

Date	Milestone
	<p>In addition to the draft amended Blue Box Program Plan, which is a mechanism to implement phase one of the transition to full extended producer responsibility, a new regulation is also being pursued in parallel, in order to ensure there is progress towards transition.</p> <p>Confidential Memorandum WMPSC-C 12-2018 A Matter of Security of the Property of the Municipality – Status of Material Recycling Facility (MRF) Opportunity Review.</p> <p>WMPSC motion:</p> <ul style="list-style-type: none"> That Confidential Memorandum WMPSC-C 12-2018, from J. Burgess, Acting Commissioner, Enterprise Resource Management Services, and C. Habermebl, Director, Waste Management, dated March 19, 2018, respecting A Matter of security of the Property of the Municipality – Status of Material Recycling Facility (MRF) Opportunity Review, BE RECEIVED for information and BE REFERRED to the Public Works Committee meeting being held on April 3, 2018.
Apr. 3, 2018 PWC Meeting	<p>PWC-C 10-2018 30 – 36 Recommendations for Consideration from the Waste Management Planning Steering Committee meeting held March 19, 2018:</p> <ul style="list-style-type: none"> A Matter of Security of the Property of the Municipality – Status of Material Recycling Facility (MRF) Opportunity Review. <p>That Confidential Memorandum WMPSC-C 12-2018, from J. Burgess, Acting Commissioner, Enterprise Resource Management Services, and C. Habermebl, Director, Waste Management, dated March 19, 2018, respecting A Matter of security of the Property of the Municipality – Status of Material Recycling Facility (MRF) Opportunity Review, BE RECEIVED for information and BE REFERRED to the Public Works Committee meeting being held on April 3, 2018.</p> <p>Confidential Presentation respecting A Matter of Security of the Property of the Municipality – Status of Material Recycling Facility (MRF) Opportunity Review.</p>

Date	Milestone
	<p>Confidential Memorandum WMPSC-C 12-2018 respecting A Matter of Security of the Property of the Municipality – Status of Material Recycling Facility (MRF) Opportunity Review.</p> <p>PWC motion:</p> <p>That Correspondence Item WMPSC-C 12-2018, being a memorandum from J. Burgess, Acting Commissioner, Enterprise Resource Management Services, and C. Habermehl, Director, Waste Management, dated March 19, 2018, respecting A Matter of Security of the Property of the Municipality – Status of Material Recycling Facility (MRF) Opportunity Review, BE RECEIVED and the following recommendations BE APPROVED:</p> <ol style="list-style-type: none"> 1. That staff PROCEED as outlined in confidential memorandum WMPSC-C 2018; and, 2. That staff PROVIDE Council with a final recommendation (Option 2 or 3) as recommended by the consultant's report (dated February 2018) to the Public Works Committee of July 17, 2018, if possible, for consideration by Regional Council.
<p>Apr. 30, 2018 WMPSC Meeting</p>	<p>Memo WMPSC-C 19-2018 Status of MRF Opportunity Review</p> <p>Memo proposed next steps on the MRF Opportunity Review for approval, including use of the Negotiated Request for Proposal process.</p> <p>WMPSC motions:</p> <ul style="list-style-type: none"> • That Regional Council RECONSIDER the motion from its meeting held on April 12, 2018, respecting Confidential Report WMPSC-C 12-2018, A Matter of security of the Property of the Municipality – Status of MRF Opportunity Review; and, • That the memorandum from N. Kraft, CEO, Niagara Recycling, dated April 27, 2018, respecting Report WMPSC-C 19-2018, BE FORWARDED to the Public Works Committee.
<p>May 15, 2018 PWC</p>	<p>Delegation, Norman Kraft, CEO, Niagara Recycling, submission is in PWC-C 17-2018.</p>

Date	Milestone
Meeting	<p>Presentation from Niagara Recycling in response to motion and reports dealt with at Waste Management Steering Committee of April 30, 2018, concerning the future of the facility, which would have significant ramifications for the Region and Niagara Recycling. Given the current disagreement between Stewardship Ontario and the Municipalities and delay on the implementation of the Amended Blue Box Program and due to the upcoming provincial election, we request that the MRF Opportunity Work Plan be DEFERRED until such time as there is more clarity regarding the path forward from the Province for the Amended Blue Box Program.</p> <p>Memo PWC-C 14-2018 Recommendations for Consideration from the Waste Management Planning Steering Committee meeting held April 30, 2018</p> <p>PWC motions:</p> <ul style="list-style-type: none"> • That Regional Council RECONSIDER the motion from its meeting held on April 12, 2018, respecting Confidential Report WMPSC-C 12-2018, A Matter of security of the Property of the Municipality – Status of MRF Opportunity Review DEFEATED (WMPSC's motion for a reconsideration regarding proceeding with the recommendations/work outlined in confidential Report WMPSC-C 12-2018 was defeated). • That Correspondence Item WMPSC-C 19-2018, being a memorandum from J. Mulligan, Manager, Strategic Sourcing, Enterprise Resource Management Services, and C. Habermebl, Director, Waste Management Services, dated April 30, 2018, respecting Status of MRF Opportunity Review, BE RECEIVED for information. • That Correspondence Item WMPSC-C 19-2018, being a memorandum from J. Mulligan, Manager, Strategic Sourcing, Enterprise Resource Management Services, and C. Habermebl, Director, Waste Management Services, dated April 30, 2018, respecting Status of MRF Opportunity Review, BE RECEIVED for information. <p>Memo PWC-C 15-2018 Material Recycling Facility (MRF) Opportunity Review - Chronology of Events.</p>

Date	Milestone
	<p>PWC Motions:</p> <ul style="list-style-type: none"> • That Correspondence Item PWC-C 15-2018, being a memorandum from C. Habermebl, Director, Waste Management Services, dated May 15, 2018, respecting Material Recycling Facility (MRF) Opportunity Review - Chronology of Events, BE RECEIVED; and, • That Regional Council APPROVE the option to use a negotiated-RFP process, among other possible alternatives, to determine any future opportunity for the Material Recycling Facility. <p>PWC-C 16-2018 102 Correspondence from Norman Kraft, Niagara Recycling, dated April 27, 2018, respecting WMPSC-C 19-2018, Status of Municipal Recycling Facility (MRF) Opportunity Review.</p> <p>PWC motion:</p> <ul style="list-style-type: none"> • That the following items BE RECEIVED for information: <p>PWC-C 16-2018 Correspondence from Norman Kraft, Niagara Recycling, dated April 27, 2018, respecting WMPSC-C 19-2018, Status of Municipal Recycling Facility (MRF) Opportunity Review</p>
<p>Feb. 25, 2019 WMPSC Meeting</p>	<p>WMPSC motion:</p> <ul style="list-style-type: none"> • That staff PROVIDE options that could be included in the negotiated request for proposal (RFP) and terms of reference for the Material Recycling Facility Phase 4 Opportunity Review to allow for the Waste Management Planning Steering Committee to provide comments prior to the RFP being released to market.
<p>June 16, 2020 PWC Meeting</p>	<p>Report PW 23-2020 Update on Transition of the Residential Blue Box Program to Full Producer Responsibility with staff presentation.</p> <p>PWC motions:</p> <ul style="list-style-type: none"> • That Report PW 23-2020, dated June 16, 2020, respecting Blue Box Program Transition to Full Producer Responsibility, BE RECEIVED

Date	Milestone
	<p>and the following recommendations BE APPROVED:</p> <ol style="list-style-type: none"> 1. That the Regional Clerk BE AUTHORIZED to respond to the Association of Municipalities of Ontario's request that municipal governments pass a resolution to provide a preferred date to transition the residential Blue Box program to full producer responsibility, if provided the opportunity to self-determine (between January 1, 2023 and December 31, 2025), with the following: <ol style="list-style-type: none"> a) Niagara Region's preferred date to transition the residential Blue Box program to full producer responsibility is as early as possible in the transition period, which is on January 1, 2023, subject to cost benefit analysis when the Blue Box regulation is finalized; b) Niagara Region expresses interest in providing curbside and depot Blue Box collection and haulage services on behalf of producers, subject to mutually agreeable commercial terms, including service duration, beginning on January 1, 2023; c) Niagara Region anticipates completion of the Material Recovery Facility (MRF) Phase 4 Opportunity Review in late 2020, which will inform how or if the MRF asset will be potentially divested and Niagara Region's potential role in processing services; and 2. That the draft resolution as outlined in Appendix 1 to Report PW 23-2020 BE APPROVED and sent to Association of the Municipalities of Ontario and the Ministry of the Environment, Conservation and Parks. <p>Confidential PW 17-2020 respecting A Matter of Commercial Information, which if disclosed could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization, under s. 239(2) of the Municipal Act, 2001 - Procurement Process for MRF Opportunity Review – Phase 4.</p>

Date	Milestone
	<p>PWC motion:</p> <ul style="list-style-type: none"> That Confidential Report PW 17-2020, dated June 16, 2020, BE RECEIVED and the recommendation contained therein BE APPROVED.
<p>Sept. 8, 2020 PWC Meeting</p>	<p>Memo PWC-C 34-2020 Material Recycling Facility Processing Contract Information and Material Recycling Facility Opportunity Review</p> <p>Memo provided an overview of the MRF Opportunity Review project phases and summary of status.</p> <p>PWC motion:</p> <ul style="list-style-type: none"> That the following items BE RECEIVED for information <p>Memo Confidential PWC-C 35-2020 A Matter of Security of the Property of the Municipality under s.239(2) of the <i>Municipal Act, 2001</i> – Phases 1 to 3 MRF Opportunity Review</p> <p>Memo provided the associated consultant reports for each project phase.</p> <p>PWC motion:</p> <ul style="list-style-type: none"> That Confidential Correspondence Item PWC-C 35-2020, being a memorandum from C. Habermebl, Director, Waste Management Services, dated September 8, 2020, respecting A Matter of Commercial Information, which if disclosed could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization under s.239(2) of the Municipal Act, 2001 – Phases 1 to 3 of the Material Recycling Facility Opportunity Review, BE RECEIVED for information.
<p>Oct. 19, 2020</p>	<p>The proposed regulation, under the Resource Recovery and Circular Economy Act (RRCEA), which would make producers responsible for operating the residential blue box program, was released for comment on by the Ministry of the Environment, Conservation and Parks (MECP). Under this regulation, the costs of program would be removed from the</p>

Date	Milestone
	<p>municipal taxbase and producers of products and packaging would be fully responsible for the waste they create.</p> <p>The MECP indicated the program will transition to full producer responsibility between 2023 and 2025 and municipalities will no longer have financial or operational control of the program on their respective transition date. Niagara Region will no longer control where residential Blue Box materials will be processed and the Material Recycling Facility (MRF) may be a stranded asset.</p>
<p>Nov. 10, 2020 PWC Meeting</p>	<p>Report PW 48-2020 Residential Blue Box Program – Proposed Producer Responsibility Regulation.</p> <p>Comments on the Proposed Blue Box Regulation which were submitted to MECP, included:</p> <ul style="list-style-type: none"> • Transition plans for the Blue Box program must address municipal contracts and assets and how to avoid stranded assets. Transition to a producer responsibility regime could lead to Niagara Region’s Recycling Centre becoming a stranded asset depending on the strategies put forth to achieve producer responsibility. The transition plan must clearly address provision of fair market compensation for stranded municipal assets. Provisions for maximizing use of existing infrastructure should be included. For example, the plan should clearly incentivize use of existing facilities or otherwise potentially stranded assets (i.e. equipment, rolling stock, carts and boxes) and/or any amortized capital costs that extend beyond the transition date, should be factored into considerations for municipal compensation. <p>PWC motion:</p> <ul style="list-style-type: none"> • That Report PW 48-2020, dated November 10, 2020, respecting Residential Blue Box Program – Proposed Producer Responsibility Regulation, BE RECEIVED and the following recommendation BE APPROVED: <p>1. That staff BE AUTHORIZED to send comments on the proposed Blue Box regulation to the Ministry of Environment, Conservation and Parks (MECP) before the close of the consultation period on December</p>

Date	Milestone
	3, 2020, following further internal and external coordination and analysis of the proposed regulation.
Apr. 13, 2021 PWC Meeting	<p>Report Confidential PW 19-2021 A Matter of Litigation or Potential Litigation and Advice Subject to Solicitor-Client Privilege and a Matter Concerning the Position to be Applied to certain Negotiations to be Carried on by the Municipality, under s.239(2)(e), (f) and (k) of the Municipal Act, 2001 - Material Recycling Facility Opportunity Review, Niagara Recycling Operations Agreement and Cellmark Claim.</p> <p>PWC motion:</p> <ul style="list-style-type: none"> • That Confidential Report PW 19-2021, dated April 13, 2021, BE RECEIVED; and • That staff PROCEED as directed in closed session. <p>The report included a reconsideration of one of the recommendations approved in Confidential PW 17-2020.</p>