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**Subject:** Recycling Collection from Non-Eligible Sources and Undesignated Material

**Report to:** Public Works Committee

**Report date:** Tuesday, July 11, 2023

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## Recommendations

1. That Council **APPROVE** the continuation of the provision of recycling collection at special events until December 31, 2025, subject to finding a processor for the blue box material; and
2. That Council **APPROVE** the discontinuation of the collection of non-designated materials under Blue Box Regulation (O. Reg 391/21) effective January 1, 2024.

## Key Facts

- In June 2021, the Province released a new Blue Box regulation (O. Reg 391/21) that makes producers of the Blue Box material (includes Niagara Region's Grey Box material) fully responsible for their products and packaging once consumers dispose of them.
- The Blue Box regulation does not include collection from special events as an eligible source and some materials, such as books and flexible plastics used for containment of food, that are currently collected in Niagara Region's programs.
- If Niagara Region continues to collect non-designated materials such as books and flexible plastics used for containment of food, it would need to be collected separately making it cost prohibitive.
- Starting January 1, 2026 additional materials will be accepted into the Ontario Blue Box program such as single use products used for consumption like straws, cutlery, plates, and multi-laminate packaging.
- Niagara Region would continue to fund the collection of recyclables from special events during the transition period for Niagara (January 1, 2024 to December 31, 2025) subject to finding a processor. Staff will undertake a full review of the program prior to December 31, 2025 to determine future options for the program.
- Industrial, commercial and some institutional (IC&I) properties are not captured in the Blue Box regulation and therefore, costs associated with providing collection to this sector (and related promotion and education, administration, and processing) will continue to be the responsibility of Niagara Region. Options for collection include co-collection with eligible sources (i.e., residences, multi-residential, some long-term care and retirement homes, some schools, and some public spaces) or separate

collection during the transition period and separate collection post-transition. Staff will be reporting back on recommendations for servicing this sector at the August Public Works Committee meeting.

## **Financial Considerations**

The financial considerations for each of the items included within the report are discussed in this section at a high-level and a deeper analysis is discussed in the Analysis section of the report.

## **Special Events Recycling**

Based on 2024 estimates, the cost to provide special events recycling is \$35,500 annually which includes staff time (subject to annual escalations). This does not include the cost to provide organics collection to special events as it is not impacted by the Blue Box regulation.

## **Non-Designated Materials**

In order to continue to collect non-designated Blue Box material, Niagara Region would need to ensure it is kept separate from other Blue Box material including collecting separately and providing a separate container for resident to store and place this material to the curb. Given the small volumes of this material collected in our current program, it would be cost prohibitive to provide collection of these materials.

Staff will soon begin developing the 2024 operating budget and the impact of decisions made by Committee/Council from this report will be included in the operating budget using estimates of information known at the time of budget preparation.

## **Analysis**

### **Background**

In June 2021, the Province released a new Blue Box regulation that makes producers of the residential Blue Box materials fully responsible for their products and packaging once consumers dispose of them (i.e., full producer responsibility). Between July 1, 2023 and December 31, 2025 all existing residential Blue Box programs in Ontario will move to a single, provincial collection system funded, governed, and operated by the producers. Niagara Region has been identified to transition to full producer responsibility on January 1, 2024.

As presented in previous reports and presentations there are several considerations and decisions that will need to be made related to the residential Blue Box transition including:

1. Provision of curbside collection services for residences, facilities, public space and related promotion and education on behalf of producers during transition period (January 1, 2024 to December 31, 2025) (PW 33-2023).
2. Servicing non-eligible property types (Industrial, Commercial & Institutional) during transition and after full transition starting on January 1, 2026.
3. Collection of non-designated materials (ex. books and some flexible plastics used for containment of food such as sandwich and freezer bags).
4. Operation of residential drop off depots for the collection of recyclables from the residential sector, during and after transition period.
5. Continuation of Special Events Recycling.

This report will address and provide recommendations for the following decisions:

1. Collection of non-designated materials (ex. soft cover and hard cover books and some flexible plastics used for containment of food such as sandwich bags and freezer bags)
2. Continuation of Special Events Recycling as it is not included in the Blue Box regulation.

Staff have also included potential options for providing curbside collection services to non-eligible property types. This information is provided as information and staff will further analyze these options and bring back recommendations at a later date.

The remaining decision points will be addressed in subsequent staff reports to Public Works Committee.

### **Collection of Non-Designated Materials**

Niagara Region currently accepts some materials that are non-designated materials under the Blue Box regulation including:

- Soft cover and hard cover books (with hard covers removed);
- Alcoholic beverages, non-alcoholic beer, wine, and spirits, with associated products and packaging; and

- Some flexible plastics used for containment of food such as sandwich bags and freezer bags.

Based on discussions between Circular Materials Ontario (CMO), the Producer Responsibility Organization (PRO) responsible for setting up the province-wide Blue Box common collection system, and eligible communities, CMO has indicated they will still allow alcoholic beverages, non-alcoholic beer, wine and spirits with their associated products and packaging to be collected in the Blue Box. However, CMO will not permit other non-designated material to be collected in the residential Blue Box program. If Niagara Region decides to collect the other non-designated material under the regulation, the costs associated with the collection, haulage and processing of these materials would be the responsibility of Niagara Region.

The benefit of continuing to collect this material include:

- The removal from Niagara Region's Blue Box stream may generate confusion for residents and propagate a perceived reduction in service levels.

The challenges associated with continuing to collect this material include:

- These materials would need to be collected separate from the other Blue Box materials.
- Residents would require another container to store and set out these materials.
- Niagara Region will be solely responsible for costs related to collection, haulage and processing of these materials starting January 1, 2024.
- Niagara Region would also be responsible for producing extra promotion and education for the locally accepted materials (versus the provincial standard).
- Niagara Region may not be able to find a processor for non-designated material.
- Leads to inconsistent Blue Box materials collected across the province which was one of the goals of the Blue Box regulation.

Based on audits completed of incoming recycling loads at the material recovery facility completed in 2023, there is a very minimal amount of books being placed in the Grey Box for recycling. Books represent less 0-0.7% by weight of material audited. Flexible plastics used for containment of food also does not represent a significant amount received through the Grey Box due to the light weight.

Based the minimal amount of non-designated Blue Box materials currently seen being placed in the Grey Box and the concerns noted above, staff are not recommending

continuing collection of non-designated materials at the curbside from all sources and including eligible and non-eligible sources and at residential drop off depots. Niagara Region will continue to promote the donation of books, including at the Reuse Centres, located at Niagara Region's drop off depots and other organizations. Staff will also promote ways to reduce the use of non-designated flexible plastics (ex. use of reusable containers).

It is important to note that starting on January 1, 2026 there will be additional items that will be added to the Blue Box program as per the regulation that are currently not accepted in Niagara's program. Some of these items include single-use products used for consumption like straws, cutlery, plates and multi-laminate packaging like drink pouches and frozen food pouches.

### **Special Events Recycling Collection**

Niagara Region provides recycling and organics collection services to special events such as festivals, fairs, and community events at no cost to the event. As mentioned above, producers are not obligated under the Blue Box regulation to provide recycling service to special events and if Niagara Region wishes to continue this service, it continues to be at the Region's expense.

Based on 2024 projections, the estimated annual costs to provide special events recycling is \$35,500 and this estimate is based on a \$200 per tonne processing fee (starting in 2024 and based on information provided by CMO), delivery of material to the material recovery facility located in Niagara Falls, staff resources and 12 tonnes of Blue Box material being collected at approximately 120 events. This cost is subject to annual escalations.

The benefits of continuing to provide this service include:

- Continuity of service to public community events in Niagara. It is a well-established program with repeat event registration.
- Providing a service at no cost will allow for continued waste diversion at special events and reduce waste being disposed of at local landfills.
- Recycling and organics participation at events aligns with the participation expected at people's residences. What you do at home can also be done "on the go".
- Aligns with Regional strategic priorities.

- Reduces the special events waste disposal costs which are the events' responsibility.
- Employs summer students and supports their development as special events is one of their core job responsibilities.

While there are benefits as noted above to providing special events recycling, there is a potential challenge of finding a processor to take this material.

If Niagara Region does not provide special events recycling, community events will need to secure a third-party contractor at their costs; much like the events do for garbage collection/disposal.

It is recommended that Niagara Region continue to provide special events recycling to community events until December 31, 2025 at which time the Blue Box program fully transitions across the province. This is subject to securing a processor for Blue Box material. Staff will review the program prior to December 31, 2025 to determine options for the program.

### **Curbside Collection from Non-Eligible Sources**

Niagara Region currently provides curbside collection services to a number of non-eligible sources (i.e., property types) which are not included in the Blue Box regulation. While the current level of service to eligible sources (i.e. residences, multi-residential buildings, some schools, some long term care and retirement homes and some public spaces) must be maintained by producers until the end of the transition period on December 31, 2025, the producers are not obligated to include service to certain properties, such as the Industrial, Commercial and Industrial (IC&I) sector including municipal and regional buildings, commercial portion of mixed-use properties and for profit long term care and retirements homes. Public and private schools (excluding colleges and universities) are included in the regulation.

If eligible communities (i.e. Regions and/or local area municipalities) collect from non-eligible sources and wish to continue to provide this service once the residential Blue Box program transitions to producers, eligible communities would continue to be responsible for the costs associated with promotion and education, existing staffing (ex. by-law enforcement, contract management, customer service, procurement and distribution of containers, etc.), collection, receiving and processing Blue Box material from non-eligible sources.

Currently eligible and non-eligible sources are co-collected together at the curb. This results in route and collection efficiencies as separate collection vehicles are not required. Niagara Region estimates a maximum of 5,000 (or 50%) non-eligible sources currently use Niagara Region's curbside recycling program.

During the transition period (July 1, 2023 to December 31, 2025 and for Niagara Region January 1, 2024 to December 31, 2025), Blue Box material from non-eligible sources can be co-collected (i.e. on the same truck) with eligible sources only for eligible communities that opt in to provide collection on behalf of producers or if the contractor who contracts with the producer responsibility organization who is responsible for setting up the common collection system, CMO agreed to collect from non-eligible sources and co-collect this material. It is at the sole discretion of CMO's contractor to provide this service and eligible communities will need to negotiate directly with them to continue to co-collect eligible and non eligible sources during the transition period.

In order for eligible and non-eligible sources to be co-collected together, eligible communities need to provide and maintain an address listing (including business names and full address) of non-eligible sources receiving Blue Box collection. This detailed address listing needs to be provided at the time the eligible community or successful contractor executes agreements with CMO. CMO will not allow eligible communities to add new non-eligible sources to the list after the list is provided; however, will allow non-eligible sources to be deleted. If a business changes names, CMO will remove them from the list and will not service any new businesses that may occupy that property.

Alternatively, eligible communities can choose to collect non-eligible sources separately (on a dedicated truck) during the transition period. This would allow eligible communities the flexibility to add and delete stops. If an eligible community is not already collecting non-eligible sources separately, like Niagara Region, they will need to negotiate with their collection contractor to collect separately and find a processor for this Blue Box material. As there are efficiencies as a result of co-collection with eligible sources, there will be additional costs associated with this option. However, eligible communities will need to provide separate collection starting January 1, 2026, as CMO will not permit co-collection after the transition period and therefore additional costs will be occurred by the eligible community at either the time of transition (January 1, 2024 for Niagara Region) or January 1, 2026, for separate collection.

In either scenario (co-collection or separate collection), staff will need to maintain an address listing of which properties are using the service. Staff will need to monitor participation in the Blue Box program closely to ensure any property is removed from

the listing if they are no longer participating (i.e., close, move or move to private recycling collection services) and set up a mechanism for non-eligible sources to sign up for Blue Box collection services (if separate collection is provided) and cancel services.

There will be incremental budget costs associated with the curbside recycling collection of non-eligible sources. Niagara Region staff are currently in conversation with our existing collection contracts (Miller Waste Systems Inc., and GFL) in order to determine approximate annual collection costs during the January 1, 2024 to December 31, 2025 transition period. If the recommendation is approved to continue these conversations with the contractors, pricing estimates will be brought forward to a future Public Works Committee meeting for consideration. Any incremental costs will be included as part of the 2024 operating budget.

If Niagara Region were to no longer provide Blue Box collection services to non-eligible sources, these properties would need to hire a private service provider to collect their recyclable materials or take the material to one of the Region's residential drop off depots or privately operated depots.

## **Alternatives Reviewed**

### **Special Events Recycling Collection**

The alternative is to discontinue providing special events recycling starting January 1, 2024; however, staff will be reviewing what the program looks like prior to the full transition of the Blue Box program on January 1, 2026.

### **Non-Designated Materials**

The alternative is to continue to provide collection for non-designated materials as of January 1, 2024; however, this is not recommended as it would be cost prohibitive to provide separate curbside collection for this material, there is uncertainty if a processor can be found, and it will lead to inconsistencies amongst acceptable items across the province.

### **Relationship to Council Strategic Priorities**

This recommendation enforces the responsible growth and infrastructure planning and sustainable and engaging government Council priorities.



## **Other Pertinent Reports**

PWC-C 2-2023 A Matter of Plans and Instructions for Negotiations to be Carried out by the Municipality, under s.239(2)(k) of the Municipal Act, 2001 - Provision of Services on Behalf of Producers for Residential Blue Box Program

PWC Presentation: Residential Blue Box Transition (February 14, 2023)

WMPSC-C 13-2023 An Update on the Residential Blue Box Program Transition

WMPSC-C 7-2023 Residential Blue Box Transition - Decision Points

PWC-C 22-2022 Blue Box Transition Update

PW 48-2021 Residential Blue Box Program – Authorization to Negotiate with Producers

PWC-C 24-2021 Residential Blue Box Program – Final Producer Responsibility Regulation

PW 48-2020 Residential Blue Box Program – Proposed Producer Responsibility Regulation

PW 23-2020 Residential Blue Box Program Transition to Full Producer Responsibility

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