

# Curbside Waste Diversion Container Distribution Options for Every-Other-Week (EOW) Garbage Collection

Public Works Committee

November 5, 2019

# Background

- On April 29, 2019, WMPSC requested a report on curbside waste diversion containers (containers) distribution options, once a final decision was made regarding service levels for the next collection contract.
- An expansion to Niagara's container distribution program was approved by Regional Council on May 16, 2019, which provides free containers to new homeowners and renters in Low-Density Residential (LDR) properties, within one (1) year of moving.
- With approval of EOW garbage collection, Niagara residents may require additional containers to place their recyclables and organics into, on a weekly basis.
- Staff analyzed seven (7) options for distribution of containers, for Committee's consideration.

# Container Distribution Options

- 1) Free, One-Time, Door-to-Door Delivery to only those Low-Density Residential (LDR) Households without Waste Diversion Containers
- 2) Free, One-Time, Door-to-Door Delivery of Curbside Waste Diversion Containers to All of Niagara's 155,000 LDR Households
- 3A) One-time Trailer Distribution and On-going Delivery of Free Waste Diversion Containers from Humberstone Storage Warehouse
- 3B) One-time Trailer Distribution and Maintain Existing Container Distribution Program
- 4) Maintain Existing Container Distribution Program – Provide a 50% Subsidy on Selling Price of Containers, for a Period of **Six (6) Months Only**
- 5) Maintain Existing Container Distribution Program – Provide a 50% Subsidy on Selling Price of Containers, for a Period of **12 Months Only**
- 6) Maintain Existing Container Distribution Program – Provide **No Subsidy** on the Selling Price of the Containers (**Status Quo**)

# Current Container Distribution Program

- Niagara Region currently partners with nine (9) municipal and retail locations to distribute its containers to residents. Four (4) additional Niagara Regional sites distribute these containers, for a total of 13 locations.
- Distribution locations are not paid a fee to distribute the containers to residents.
- Niagara Region currently pays a third-party company to deliver containers to these locations.
- Niagara Region currently sells its containers to residents, on a full-cost recovery basis (i.e. Blue and Grey Recycling Boxes - \$6; Green Bins - \$17; and Kitchen Catchers - \$4 each).

# Option 1 – Free, One-Time, Door-to-Door Delivery to only those Households without Waste Diversion Containers

- Option 1 includes a free, one-time, door-to-door delivery of containers only to those LDR households (i.e. single-family up to six units) identified in Region's 2014 curbside survey as not participating in the diversion programs.
- Based on the 2014 curbside survey, approx. 50% of Niagara's 155,000 LDR households were not participating in the organics program, and approx. 15% were not participating in the recycling program.
- Option 1 would exclude delivery of free containers to LDR households which were identified as participating in these diversion programs.

# Option 1 – Free, One-Time, Door-to-Door Delivery to only those Households without Waste Diversion Containers (cont'd)

- Estimated one-time net cost to provide containers only to these designated LDR households would be **\$1.34 million**.
- Door-to-door delivery costs are estimated to be **\$600,000**.
- The cost of this option has not been included in the draft 2020 or multi-year operating budgets.

# Option 2 – Free, One-Time, Door-to-Door Delivery of Curbside Waste Diversion Containers to All 155,000 LDR Households

- Option 2 includes a free, one-time, door-to-door delivery of containers to all 155,000 LDR households.
- Distribution to all LDR households supports the likely need for additional recycling and composting capacity, due to EOW garbage collection, as well as supporting a sense of fairness in the distribution method across all households.
- Estimated one-time net cost of containers to provide to all LDR households would be **\$3.4 million**.
- Door-to-door delivery costs are estimated to be **\$1 million**.
- The cost of this option has not been included in the draft 2020 or multi-year operating budgets.

# Option 3A – One-time Trailer Distribution and On-going Provision and Delivery of Free Waste Diversion Containers

- Option 3A includes a one-time trailer distribution of free containers.
  - Residents would be required to drive to a designated location, on the designated date, and provide their name and address, to avoid any duplication between the trailer distribution and door-to-door deliveries, prior to receiving containers.
  - Trailer distribution will be conducted over three (3) weekends, in various locations across the region, prior to commencement of Region's new collection contract in October 2020.
- Option 3A would also include door-to-door delivery of free containers to all new and existing LDR households, regardless of property type or ownership.
  - Delivery service would be provided on a request-basis after the new collection contract commences.

# Option 3A – One-time Trailer Distribution and On-going Provision and Delivery of Free Waste Diversion Containers (cont'd)

- Option 3A requires the construction of a storage warehouse at Humberstone landfill. Delivery staff would coordinate all deliveries from this central location.
- This would eliminate need for existing partnerships with 13 smaller distribution locations (i.e. status quo).
  - The current distribution locations are not large enough to support free containers, which is why a storage warehouse and delivery is required.
  - There would be an increased demand on Regional resources to re-stock these small distribution locations with free containers.
- Niagara Region also has very limited storage space to receive new containers. At times, there are delays in the manufacturer's production schedules, which cascade from the manufacturer to the Region, and then to these multiple, small distribution locations.
  - A storage warehouse would resolve this issue by allowing the Region to stay ahead of any potential inventory shortages and support the program.

# Option 3A – One-time Trailer Distribution and On-going Provision and Delivery of Free Waste Diversion Containers at Humberstone Warehouse (cont'd)

- One-time net cost for trailer distribution of free containers and construction of Humberstone storage warehouse would be approx. **\$1.35 million**.
- Ongoing annual net operating cost of approx. **\$768,000** for delivery of waste diversion containers.
  - Includes increased container purchases, staffing, and delivery-related costs
- The cost of this option has not been included in the draft 2020 or multi-year operating and capital budgets.

# Option 3B – One-time Trailer Distribution and Maintain Existing Container Distribution Program

- Option 3B includes a one-time trailer distribution of free containers.
  - Residents would be required to drive to a designated location, on the designated date, and provide their name and address, to avoid any duplication between the trailer distributions.
  - Trailer distribution will be conducted over three (3) weekends, in various locations across the region, prior to commencement of Region's new collection contract in October 2020.
- The existing distribution locations for the waste diversion containers would be maintained (Status Quo).
  - There would be no subsidy provided to residents on the selling price of the waste diversion containers.

# Option 3B – One-time Trailer Distribution and Maintain Existing Container Distribution Program (cont'd)

- One-time net cost for trailer distribution of free containers only would be approx. **\$252,000**.
- The cost of this option has not been included in the draft 2020 operating budget.

# Option 4 – Maintain Existing Distribution Program and Provide 50% Subsidy for Containers, for Six (6) Months Only

- Option 4 would provide residents with a 50% subsidy on the price of waste diversion containers, under the current distribution program, for a period of **six (6) months only**, to align with start of communication campaign for the service level changes.
- It is estimated there would be a 50% increase in the demand for these containers, as a result of providing the 50% subsidy.
- There would be an incremental cost of **\$225,000**, which is anticipated to impact 2020 and 2021.
- The majority of the subsidy costs would be incurred in 2020 and have not been included in the 2020 operating budget.

# Option 5 – Maintain Existing Distribution Program and Provide 50% Subsidy for Containers, for Twelve (12) Months Only

- Option 5 would provide residents with a 50% subsidy on the price of waste diversion containers, under the current distribution program, for a period of **12 months only**, to align with start of communication campaign for the service level changes.
- There would be an incremental cost of **\$251,000**, which is anticipated to impact 2020 and 2021.
- The majority of the subsidy costs would be incurred in 2020 and have not been included in the 2020 operating budget.

# Option 6 – Maintain Existing Distribution Program and Provide No Subsidy for Containers (Status Quo)

- Option 6 would maintain the existing container distribution program, which requires residents to purchase the waste diversion containers, at their full selling price.
- Free containers are not currently provided, unless they are new homeowners or renters in LDR properties within 12 months of moving into their new home.
- There would be no additional net financial impact with Option 6, as this is the distribution program in place and the costs have been included in the base 2020 operating budget.

# Analysis of Seven (7) Distribution Options

- The draft 2020 WM operating budget includes only the current distribution program costs (Option 6) – the increased costs of Options 1 through 5 have not been included.
- Significant pressures have been identified in the draft 2020 budget, without any of these additions. The 2020 budget also does not include any optional services which may or may not be elected by Council or Local Area Municipalities to implement.
- The total Resource Productivity Recovery Authority (RPRA) Blue Box (BB) funding would be received over a multi-year period, starting in 2022, due to reporting timelines and funding structure. This funding would offset those costs incurred for the various BB-related items.
- Options 1 and 2 incur the highest cost to implement and there is a lack of adequate assurance that the containers would be used for the required purpose of waste diversion.

# Analysis of Seven (7) Distribution Options

- Niagara Region previously provided free recycling boxes and organics containers to residents in 2003/04, and organics bins only in 2008/2009, as part of its Green Bin Relaunch Program. Even after distribution of the organics containers, the participation rate remains at approximately 50%.
- Options 3A & 3B provide residents with the option to obtain free waste diversion containers, as part of a one-time trailer distribution. Option 3A includes ongoing delivery to their household by Niagara Region.
- Options 4 & 5 provide residents with a 50% subsidy on the selling price of waste diversion containers, for either a period of six (6) months or 12 months. This will allow residents time to adapt to the new service level change of EOW garbage collection, and its impact on their curbside recycling and organics programs.
- Option 6 is Niagara Region's current program, requiring residents to purchase waste diversion containers at full cost-recovery selling price.

# Municipalities that Provide Free Waste Diversion Containers

- Barrie, Hamilton, London, Ottawa, Peterborough County, and Halton Region provide free recycling and organics containers to **all residents**.
- Richmond Hill, Simcoe County, Durham and Waterloo Regions provide free recycling and organics containers to **new homeowners** only.
- Barrie, Hamilton, London, Ottawa, Simcoe County, Durham and Waterloo Regions deliver recycling and organics containers to the resident's household, using the collection contractor or municipal staff.

# Municipalities that Provide Free Waste Diversion Containers – EOW

- Waterloo Region gave out free waste diversion containers to all households, as part of three (3) trailer distributions or municipal facilities, six (6) months prior to start of EOW garbage collection.
- Durham Region and Richmond Hill gave out free organics containers as part of the implementation of EOW garbage collection, which coincided with their launch of Green Bin program.
- Barrie, Ottawa and Halton gave out free containers prior to implementation of EOW, and therefore no change was required in their distribution policy when they went to EOW collection.

# Next Steps

- Finalize new collection contract costs.
- Determine funding mechanism and reserve fund balances.
- Niagara Region will be reporting back to Public Works Committee on December 3, 2019, with a recommendation on the preferred option for the curbside waste diversion container distribution.

# Questions?