
HALDIMAND COUNTY

Report ENV-06-2023 Blue Box Program Transition Update

For Consideration by Council in Committee on October 10, 2023



OBJECTIVE:

To update Council on the Blue Box Program transition through December 31, 2025.

RECOMMENDATIONS:

1. THAT Report ENV-06-2023 Blue Box Program Transition Update be received;
2. AND THAT curbside collection of blue box materials from non-eligible sources not be offered from January 1, 2024 through December 31, 2025;
3. AND THAT the Collection of Blue Box Materials Letter of Understanding be sent to the Producer Responsible Organization;
4. AND THAT the General Manager, Public Works Operations be authorized to execute the Agreement for Eligible Community Promotion and Education (no collection services) with CMO;
5. AND THAT the General Manager, Public Works Operations be authorized to execute the Eligible Community Depot Operations Agreement with CMO;
6. AND THAT the revenues and costs associated with these recommendations be included as a Council-Approved Initiative in the 2024 Tax-Supported Operating Budget.

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Reviewed by: Brandon Hedges, Manager, Environmental Operations

Respectfully submitted: Philip Mete, P. Eng., General Manager of Public Works Operations

Approved: Cathy Case, Chief Administrative Officer

EXECUTIVE SUMMARY:

Haldimand County has provided blue box collection and processing services to residents and businesses for over 30 years. In 2021, the provincial government passed O.Reg. 391/21 requiring producers of paper, packaging and packaging-like products to become both operationally and financially responsible for managing the end-of-life of their materials.

In the regulation, eligible sources such as residential homes and retirement homes will continue to receive blue box services. Updates and an agreement are included for the eligible sources for consideration and are recommended to be executed by staff.

As part of the provincial regulation, non-eligible sources such as commercial, industrial, institutional and Business Improvement Areas (BIAs) will no longer receive blue box services through producer responsibility. Options on how to handle non-eligible recyclable materials during the two year transition period were explored and staff is recommending to discontinue collection of blue box materials from non-eligible sources now, since it will no longer be an option after the transition period and a temporary measure is costly.

Staff is recommending acceptance of Circular Materials Ontario's (CMO's) proposed Agreement for Eligible Community Promotion and Education (no collection services) as shown in Attachment 1.

The Canborough Waste Management Facility (CWMF) is deemed to be a convenience depot within an eligible community as of the County's transition date. Options on how to handle receipt of recyclables were explored by staff resulting in a recommendation to execute the proposed Depot Collection Agreement.

Haldimand County is required to transition its Blue Box Program on January 1, 2024. Post-transition will commence January 1, 2026 province-wide. Updates are provided for the post-transition that are known to date.

BACKGROUND:

Haldimand County is required to transition to the new Provincial blue box regulatory framework on January 1, 2024 to comply with O.Reg. 391/21. This new regulation is being implemented throughout Ontario in two phases:

1. Transition period (July 1, 2023 to December 31, 2025); and
2. Post-transition period (starting January 1, 2026).

In June 2021, the Provincial blue box regulation was updated to make the producers of recycling materials responsible for their materials, specifically related to recycling costs (financial bottom line), to reduce recyclable materials currently going to landfill and enable a common collection blue box program across Ontario. Common collection in this case is defined as the same recycling materials being accepted in all blue box programs across the Province. Historically, this was not the case and caused frustration and confusion for all participants.

The Waste Diversion Ontario Blue Box Program currently managed by industry stewards and municipalities is being phased out within two and a half (2 ½) years as a result of the change by the Province.

Initially, the provincial blue box regulation was introduced for eligible sources which included for example:

- Residential
 - Single Family (including seasonal)
 - Units within multi-residential
- Facilities
 - Retirement homes (non-profit)
 - Long-term care homes
 - Schools
- Public Spaces

This meant that only eligible sources would continue to have curbside pickup for recyclable materials. Non-eligible sources, which would be anything not listed above such as Industrial, Commercial and Institutional (IC&I), would no longer be eligible for recyclable collection under the new regulation. The Regulation was further amended to allow an option for non-eligible sources to have collection during the transition period only, although with stipulations. Once the transition period is done and the post-transition period starts, non-eligible sources are again, no longer considered within the new Regulation and pickup will not be possible through the County or Province.

Another change municipalities are being faced with is adhering to a 4% contamination rate. Haldimand County's last audit was reported to be at 14%, which is the norm for municipalities.

Ontario municipalities and First Nations have all had to report to the Resource Product & Recovery Authority (RPRA) their desire as to whether to opt in or opt out of the new Blue Box program. On January 14, 2020, a Council resolution was made for Haldimand County to transition to full producer responsibility, by opting-out, based on the limited information that was available at that time. Some municipalities that provide curbside collection "in-house", had other impacts such as assets (equipment, facilities, personnel) that had to be considered. As of September 14th, 2023 the number of municipalities to opt in was less than those opting-out. The information staff have to date is that 63 municipalities have opted in while 108 have opted out. Others are still considering a decision.

The decisions that have to be made since staff last presented to Council in February 2023 are as follows:

- Blue box collection during the transition period for non-eligible sources
- Canborough Waste Management Facility (CWMF) as a convenience depot for both eligible and non-eligible sources.
- Approval to execute various agreements

The report will also provide updates on the following:

- Blue box collection for eligible sources
- Blue Box Program – post transition period
- Haldimand County as a producer

ANALYSIS:

Blue Box Collection for Eligible Sources

- Eligible sources for curbside collection stops make up 96.8% of all current stops.
- Haldimand County provided RPRA with an initial report stating that there were 20,616 residential units and 32 facilities based on the Municipal Property Assessment Corporation (MPAC) database.
- Circular Materials of Ontario (CMO) and RYSE Solutions of Ontario (RYSE) are the Producer Responsibility Organizations (PROs) that act on behalf of the producers in order to manage the collection of materials, promote, educate, prepare and submit reports to RPRA.
- CMO advertised numerous RFPs in the spring of 2023, two of them included servicing Haldimand County:
 1. An RFP to determine the Material Receiving Facility (MRF) that will be receiving the County's blue box materials. The RFP has officially been awarded to Norfolk Disposal Limited Services from Waterford, Ontario. Therefore, as of January 1, 2024 Haldimand County's blue box materials will no longer be hauled and processed at the Emterra MRF in Niagara Falls.
 2. An RFP for a hauler to collect blue box materials from eligible sources. CMO communicated that they would let the County know who the curbside collection hauler would be, mid-July at the latest. To date, the CMO has not officially awarded the curbside collection of blue box materials for eligible sources. Once an award is official, staff will notify Council.
- CMO has met with staff and proposed an Agreement for Eligible Community Promotion and Education (No Collection Services) (Attachment 1). What this entails is CMO asking Haldimand County to continue promoting & educating (P&E) blue box materials to eligible sources. The annual Waste & Recycling Guide and the Recycle Coach plugin/App are deemed as P&E activities. CMO would compensate Haldimand County approximately \$9,600 (approximately half) per year for the

continuation of the Waste & Recycling Guides in addition to Recycle Coach. Compensation is based on eligible sources and a unit price per household receiving collection services for each activity. Environmental Operations staff recommend that Council review and approve the proposed curbside collection Promotion and Education Agreement.

- A Letter of Understanding (LOU) for Community Cooperation was developed by industry partners for opt-out communities to provide to the PRO, administrator and hauler to ensure cooperation and coordination of waste collection services. This LOU is to ensure that County operations will not interfere with recycling collection. Staff recommend that Council approve the execution of the (LOU) to be distributed to the PRO, administrator and hauler.

Blue Box Collection for Non-Eligible Sources During The Transition Period

(July 1, 2023 to December 31, 2025)

- Non-eligible sources for curbside collection stops make up 3.2% of all current stops
- The final number of non-eligible sources is determined to be 685 based on MPAC property codes verified by Environmental Operations, Modern Landfill and Economic Development & Tourism staff.
- Providing blue box options for these types of sources became Environmental Operation's main goal. Information gathering consisted of:
 1. A survey seeking feedback was issued:
 - 700 letters informing non-eligible sources of the survey were mailed to addresses from the MPAC listing;
 - emails were sent to BIA's/Chambers;
 - emails were sent to Haldimand County Facility's user groups and/or staff managing the facility; and
 - letters were handed out to those at the Business Retention + Expansion Program meeting.
 2. Blue box presentations were made to the:
 - Haldimand Business Network (HBN); and
 - Business Development and Planning Advisory Committee (BDAPAC)
- 111 surveys were completed. Full results are included in Attachment 3 to this report. Results from the survey mirror the motion that was passed by the BDAPAC, indicating that the proposed changes to the IC&I recycling program (discontinuation of curbside collection), will have a negative impact on new, potential and existing businesses in the County and that the County should continue engagement with the business community to explore other options.

There are four options presented below for Council's consideration, related to the collection of blue box materials for non-eligible sources during the transition period only. After the transition period is over, collection by the municipality will no longer be an option under the provincial changes to the program.

Option 1 - Haldimand County to accept CMO's hauler proposal to collect recycling for non-eligible addresses.

Municipalities have been encouraged by the CMO to negotiate with their current incumbent for recycling. Since CMO has not yet awarded the hauler RFP, it is unknown who the future contractor will be. There is a possibility it may be Modern Landfill since they are the current incumbent whom the County is being advised to negotiate with.

Despite the contractor, the following should be factored in when considering this option:

PROS	Modern is already providing the service therefore more of a smooth transition. No loss of service for the non-eligible property types.
CONS	Based on 685 addresses being collected regardless of how many use the service. New addresses cannot be added to the 685 confirmed addresses so does not address new businesses to the County. The draft agreement has not been provided for review to confirm the scope of work. Only a 2-year service and would no longer be offered post-transition. 0.21% increase to the tax operating budget. It's unconfirmed how many of the 685 addresses are not participating in the program, despite the County paying for them.
COSTS	\$169,000 for 2024, including cost per stop plus processing for the 685 addresses. 2025 cost would include CPI and fuel adjustments.
RISKS	If Council accepts then the County would be in contravention of the Trade Agreements and other vendors could submit a legal claim. Regulated 4% contamination rate not achieved, not sure of implications since no draft agreement submitted. Unsolicited proposal therefore it may only be accepted for a maximum of 1 year and total annual expenditure to be less than \$75,000.

Option 2 - Haldimand County could amend the existing Garbage Curbside Collection to include curbside blue box collection of non-eligible sources. However, this would increase the cost as additional routes and trucks would be required. The current contract is with Norfolk Disposal Limited Services.

The following should be considered:

PROS	<p>The service provider will be servicing these addresses for garbage collection as of October this year so familiar with the routes.</p> <p>The existing contract allows for amendments to the collection programs.</p> <p>No loss of service for the non-eligible property types.</p> <p>May edit addresses serviced at any time (add and remove), allowing for the inclusion of new businesses.</p>
CONS	<p>A transition period of learning the addresses of the 685 non-eligible sources.</p> <p>May change collection days and or routes to increase efficiencies due to low participation numbers.</p>
COSTS	<p>Collection cost per stop more than doubles Option #1 from above.</p> <p>Not able to provide a processing cost due to unrealistic pricing that the service provider has received.</p>
RISKS	None.

Option 3 - Haldimand County to do a competitive bid for a dedicated recycling run for non-eligible addresses.

The following should be considered:

PROS	<p>No loss of service for the non-eligible property types.</p> <p>May edit addresses serviced at any time (add and remove), allowing for the inclusion of new businesses.</p>
CONS	<p>Service provider having to learn new routes for January 1, 2024.</p> <p>May change collection days and or routes to increase efficiencies due to low participant numbers.</p> <p>Time-sensitive, as the start date is January 1, 2024.</p> <p>Equipment availability concerns.</p>
COSTS	<p>Undetermined at this time; may be possible to obtain a price per stop, per week.</p> <p>Private hauler is not able to provide a processing cost.</p>
RISKS	No bids submitted.

Option 4 (Recommended) - Haldimand County to no longer provide service.

Non-eligible stops currently only represent 3.2% of recycling collection in the County or 685 properties. Many of these properties currently have their own contracts or arrangements for recycling collection.

The following should be considered:

PROS	Non-eligible sources have their own agreements with private service providers (no different than garbage). No cost to the County in providing the service.
CONS	Lack of recycling – environmental impacts due to participants no longer recycling and therefore placing recyclables into the garbage stream.
COSTS	Currently budget of \$12,000 per year for the disposal of recyclables that are placed into the garbage stream.
RISKS	Participants no longer recycle and are therefore placed in the garbage stream, potentially increasing our costs for disposal of the additional materials.

Canborough Waste Management Facility (CWMF) as a Convenience Depot

- Currently at the diversion centre in Canborough, there are:
 - 6 x 96-gallon recycling totes for either fibres or containers, that get dumped into the transfer building when they are full; and
 - 1 x 40-yard bin for old corrugated cardboard (OCC) collection, that gets dumped into the transfer building when it is full.
- The totes and bins are currently available for public use to drop off recyclable material
- Although not yet confirmed, CMO has informed Haldimand County that the totes may be included within the weekly eligible source curbside collection route. As for the OCC bin, the County has not been informed as to how it would be managed through the CMO’s agreement with their curbside collection of Eligible sources.

During the transition period, there are options to allow the drop off of blue box materials at the CWMF for eligible and non-eligible properties. Once the transition period is over (end of 2025) it is expected that CMO will no longer collect from the drop-off bins, so the options presented below are temporary.

Below outlines the details followed by options:

- The Environmental Compliance Approval (ECA) for the CWMF allows for the receipt of Norfolk County and Mississauga of the Credit First Nations (MCFN) recyclables, both of which are currently deemed as non-eligible sources.
- CMO has met with Haldimand County and proposed an Eligible Community Depot Operations Agreement (Attachment 4). This requires Haldimand County to:
 - continue with our acceptance of blue box materials from eligible sources and the County may also continue collection of blue box materials from non-eligible sources and co-mingle them together;
 - add 2 additional 40-yard bins at the diversion centre;
 - be compensated by the CMO for providing this service:

- continuing with curbside collection of eligible sources vs. non-eligible sources utilizing the CWMF would result in the County being compensated for 95% of related costs;
- since the ECA is allowing communities that do not transition until later (Norfolk & MCFN), CMO would apply a non-eligible source deduction of 25% to the 95% compensation rate;
- the compensation amount is based on 2020 DataCall numbers;
- the County would be compensated approximately \$6,400 per month;
- be reimbursed at approximately \$1,609 per month for P&E expenses.

Options for Convenience Depot Acceptance of Blue Box Materials during the Transition Period

Option 1 (Recommended) - Haldimand County to accept all eligible and non-eligible blue box materials (agreement between the County and CMO)

This option would see eligible and non-eligible properties able to utilize bins at the CWMF and these items could be mixed. An agreement with CMO is necessary for this option. There is no cost to the County and in fact, CMO would compensate on a monthly basis. This option is only available for a two-year period during transition.

The following should be considered:

PROS	<p>Service still available to non-eligible sources if curbside collection is cancelled.</p> <p>Two-year fix to buy time to determine if any favourable future options develop for non-eligible sources.</p> <p>County staff will be performing inspections on loads and guiding depot customers to the differing bins at the diversion centre, therefore, a contamination rate of 4% will be easier to strive for.</p>
CONS	Only a two-year fix.
COSTS	Approximately \$8,000 month revenue to be received by CMO.
RISKS	Regulated 4% contamination rate still not achieved.

Option 2 - Haldimand County to accept only eligible blue box materials (agreement between CMO and hauler)

This option means that non-eligible properties will not be able to drop off recyclables at the CWMF however eligible properties would still have that ability.

The following should be considered:

PROS	No loss of service for eligible sources. County staff will be performing inspections on loads and guiding depot customers to the differing bins in the diversion centre, therefore a contamination rate of 4% will be easier to strive for.
CONS	Loss of service for non-eligible sources. Eligible source material is not in the agreement that the County has, therefore may change at any time regarding collecting on their weekly route. Operationally hard to turn away non-eligible sources at the scale house.
COSTS	No direct cost, although there is a cost for the materials inadvertently found in the garbage stream (hauling/disposal).
RISKS	Non-eligible sources stop recycling. Regulated 4% contamination rate still not achieved.

Option 3 - Haldimand County to no longer accept blue box materials for eligible or non-eligible materials.

This option would remove any bins or totes at the CWMF for the purposes of recyclables drop off by either eligible properties or non-eligible properties. Those properties also not eligible for curbside collection of recyclables would need to determine their own method of recyclable collection or diversion. It is important to note that once the transition period ends (end of 2025) this option will be the only option available to the County because it will no longer be possible to accept material in this way and have it transferred to a materials recovery facility.

The following should be considered:

PROS	Easiest to manage. CMO is regulated to provide the best effort in finding a depot within the County's catchment area for the eligible sources blue box materials.
CONS	Loss of service. Environmentally not the right thing to do. CMO may not find a depot for eligible sources within the County's catchment area.
COSTS	None, although there is a cost to address the materials inadvertently found in the garbage stream (hauling/disposal).
RISKS	All recyclables will be placed in the garbage stream.

Blue Box Program Post Transition Period (January 1, 2026)

- After January 1, 2026 all CMO agreements for the transition period will have expired including:
 - Eligible property curbside collection agreement with hauler;
 - The P&E – Opt-out Community Agreement with Haldimand County; and
 - The Depot Operation and P&E Agreement with Haldimand County.
- Blue Box program materials, routes, collection methods, and frequency of collections all may change.
- The curbside recyclables collection hauler for the Haldimand area has been unofficially awarded and it is Norfolk Disposal Service Limited. Although this is the same company contracted by Haldimand County for curbside garbage collection and urban leaf and yard waste, the recycling contract is completely separate and not the responsibility of Haldimand County to pay for or manage.
- Non-eligible and eligible sources can no longer be mixed at the curbside or the depot.
- CMO is no longer responsible for servicing depots.
- Staff will need to report back to Council in 2025 to provide updates as the new provincially mandated program continues to evolve.

Haldimand County As A Producer

A business, including municipalities, are considered a producer under the blue box regulation if it supplies blue box material (tax bills, waste and recycling guides, the community playbook, etc.) to consumers in Ontario. Producers are required to operate and pay for the collection and management of blue box materials. A producer's supply data report determines their management requirements for the following year. Haldimand County registered with RPRA and yet fell below the paper supply thresholds for the reporting years of 2021 and 2022. Haldimand County will continue to collect data and report annually to RPRA in order to meet our producer responsibility obligations and learn of our management requirements for going forward.

FINANCIAL/LEGAL IMPLICATIONS:

As outlined in the report, there are several options to be considered relating to the transition period and to various agreements. Depending on what options are approved, future tax supported operating budgets are likely to be impacted. To assist with the clarity of the options, many of which do not have identified costs, the below charts only summarize the impacts of the options being recommended by staff and that will impact the 2024 tax operating budget.

A. Blue Box Curbside Collection

Option 4 - If Haldimand County were to opt out of recycling collection for non-eligible properties – Recommended by Staff	
Revenues:	
Promotion and Education Reimbursement*	\$9,600
Expenses:	\$0

*Staff recommendation includes the signing of the CMO's Promotion & Education Agreement, making Haldimand County eligible for the reimbursements shown above.

B. Canborough Waste Management Facility (CWMF) as a Convenience Depot

Option 1 - If Haldimand County were to accept all eligible and non-eligible blue box materials (agreement between the County and CMO) – Recommended by Staff	
Revenues:	
Approximately \$6,400/month from CMO	\$76,800
Promotion and Education Reimbursement**	\$19,316
Expenses:	\$0

**Staff recommendation includes the signing of CMO's Promotion & Education Agreement, making Haldimand County eligible for the reimbursements shown above. Reimbursements are at a higher rate per household under this option.

It should be noted these additional revenues may be required to offset transitional costs that will be presented/evaluated as part of the 2024 draft tax supported operating budget. It should also be noted that a future report will be brought forward to Council to consider options to offset the increased cost of the curbside garbage collection contract recently entered into. Should Council wish to consider recycling options within this report other than the recommended options, it may have a further negative impact on the overall waste management operating budget depending on the option selected.

STAKEHOLDER IMPACTS:

If the recommendations are approved as they have been presented, non-eligible property owners will no longer receive curbside recycling collection as of January 1st, 2024. They will need to make alternate arrangements to have their recycling collected or they can bring it free of charge to the Canborough Waste Management Facility until December 31st, 2025 when the Provincial regulation no longer will accept non-eligible materials.

REPORT IMPACTS:

Agreement: Yes

By-law: Yes

Budget Amendment: Yes

Policy: Yes

REFERENCES:

1. [Ontario Regulation 391/21](#)

ATTACHMENTS:

1. Eligible Community Promotion and Education Agreement
2. Collection of Blue Box Materials Letter of Understanding
3. Survey Monkey Results
4. Eligible Community Depot Operations Agreement