

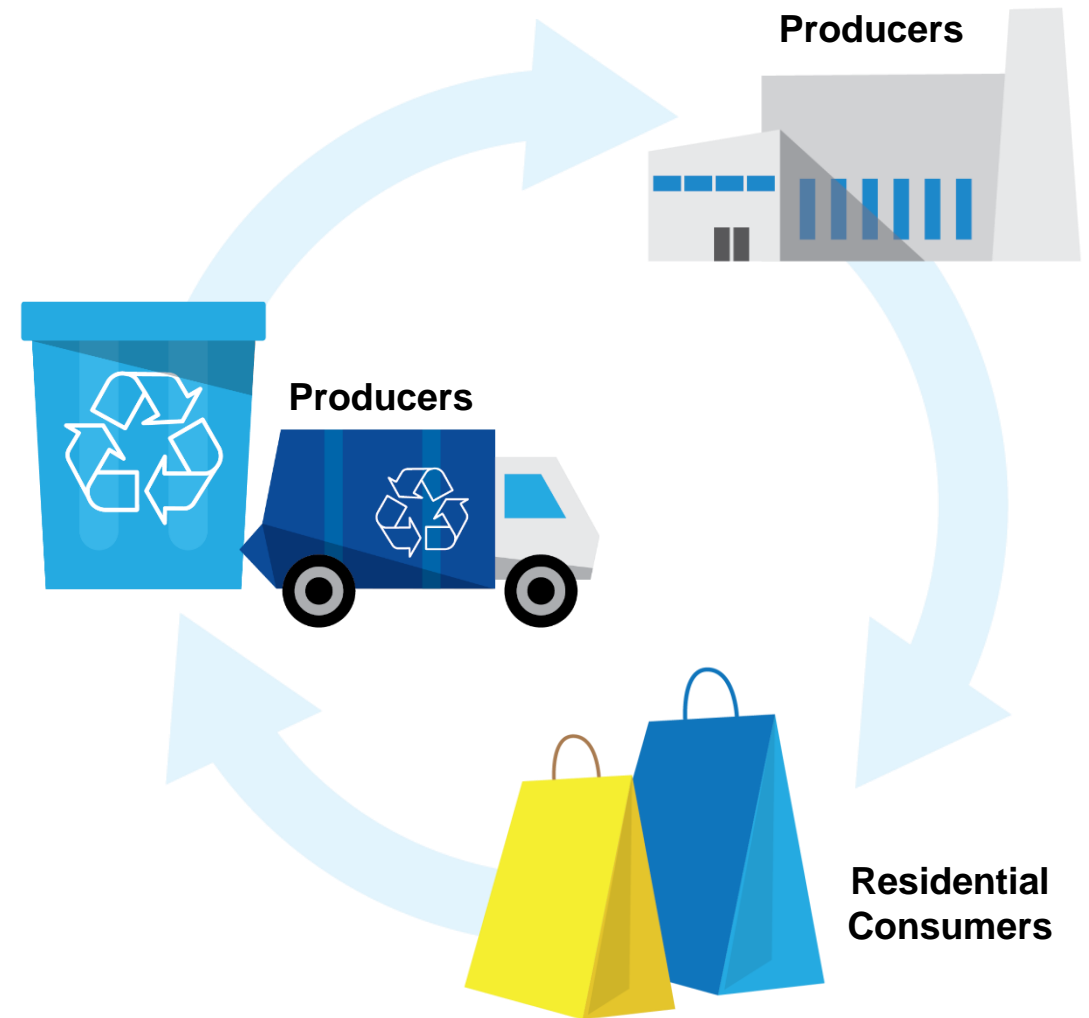


Township Council/Staff Orientation Package Blue Box Transition to Producer Responsibility

Created by Peterborough County Staff with CIF provided images/formatting

What is Producer Responsibility?

- A regulatory approach to waste management, where producers (companies that make and import products) are responsible for the waste generated from their products and packaging
- In Ontario, the blue box program is transitioning from a model of shared industry funding, to one of producer responsibility



Relevant Legislation

The following slides give a brief overview of the current and historical legislation and regulations that are relevant to the blue box program in Ontario.

Relevant Legislation

Environmental Protection Act (EPA) and Ontario Regulation 101/94:

- Since 1994, this regulation has required most municipalities to establish & operate a blue box system
- It was amended on June 3, 2021 to require operation of the blue box program *only until* the local municipality's program has transitioned to producer responsibility under the new legislation

Relevant Legislation

Waste Free Ontario Act (WFOA), Waste Diversion Transition Act (WDTA) and Resource Recovery and Circular Economy Act (RRCEA)

- In 2016, the Waste Free Ontario Act passed to enact two separate pieces of legislation
- The Waste Diversion Transition Act allows for the continuation of the recycling programs until they can be properly wound up and transitioned to the Resource Recovery and Circular Economy Act
- The RRCEA establishes a new producer responsibility framework that allows the provincial government to designate certain materials and set outcomes for diversion programs. It also establishes an oversight body (Resource Productivity and Recovery Authority or RPRA) to ensure outcomes are achieved. Current programs that have transitioned to this legislation include Batteries, Electrical and Electronic Equipment, Hazardous and Special Products, Tires, and now Blue Box
- As of June 2021, O.Reg 391/21, known as the Blue Box Regulation was officially adopted under the RRCEA. This makes producers of paper products, packaging, and packaging-like products financially and operationally responsible to meet certain outcomes

How the County/Township Blue Box Program Currently Works

- Peterborough County administers the blue box program on behalf of the Townships
- The County holds a contract with Emterra Environmental Ltd. who performs curbside collection, depot collection, and processing of blue box material
- The County submits the annual Datacall to the Resource Productivity and Recovery Authority (RPRA) and receives funding back to offset some of the costs to operate the blue box program
- The County supplies infrastructure (front end bins) to the Townships to allow blue box collection at the Township owned depots

Eligible Sources Under Producer Responsibility Blue Box Program

Eligible Sources

- Eligible Sources are types of properties that producers are required to collect from under the producer responsibility blue box program and include:
- Residences: single family houses, seasonal homes
- Facilities: buildings that contains more than one dwelling unit such as a multi-residential buildings, not-for-profit long term care (LTC) and retirement homes, and schools
- Public Spaces: industry must take over public space recycling and have a certain number of public space bins in each municipality (starting in 2026 for the County)

Transition Period vs. Post-Transition

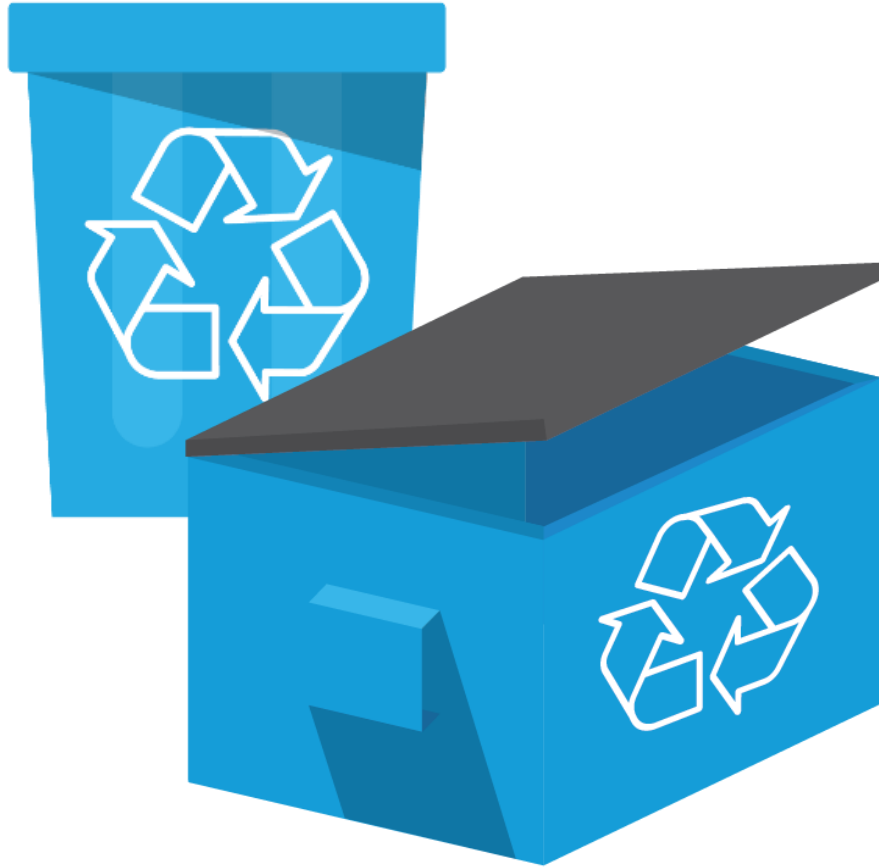
Transition Period

- Transition Period is July 1, 2023 to December 31, 2025
- Producers will assume operational and fiscal responsibility for 365 Municipalities and First Nation Communities throughout the Transition Period on dates provided by the Ministry
- Each Municipality has been assigned a transition date throughout this transition period (All townships in Peterborough County Transition January 1, 2024)
- Municipalities can choose to negotiate with PRO to continue service delivery or fully divest their responsibility (County of Peterborough has chosen to divest on January 1, 2024)

Post Transition

- January 1, 2026 & thereafter
- Producers will be fully responsible for operating and financing the blue box program in all Ontario Municipalities
- Producers will be responsible for communications, replacing blue boxes and dealing with complaints/concerns from residents
- Eligible communities could choose to negotiate with PRO to continue service delivery or fully divest their responsibility

When do we transition?



All Townships
have been given the transition
schedule date of
January 1, 2024.

Designated Materials



Excluded Materials as of Transition:

- Hard or soft-cover books
- Flexible plastic used for containment of food (i.e., cling wrap, sandwich bags)
- Packaging & single-use items not primarily made of paper, glass, metal or plastic (i.e., wooden box, bamboo cutlery)
- Garbage bags, recycling bags, compostable waste bags
- Tissues, paper towel and other paper sanitary products
- Alcohol packaging
- Biomedical or hazardous waste
- Items designated under other diversion regulations

Transition Date to December 31, 2025:

- During the transition period Producers must collect/accept the same blue box materials that were included in the Municipality's current blue box program as of August 15, 2019

January 1, 2026:

- Producers must collect/accept all designated materials under the new regulation

Designated Materials

All of these:



Aluminum cans



Glass bottles & cans



PET plastic bottles



Steel cans



Newsprint

for food and beverages

At least two of these:



Aluminum foil



Boxboard & paperboard



Cardboard



Polystyrene containers & packing materials



Office paper



Polycoat cartons



Magazines



Paper cups & plates



Plastic film



Rigid plastic containers (HDPE, PS)



Telephone Directories



Textiles

Varies by Municipality

(O. Reg 101/94: Schedule 1)

Packaging, Paper Products, & Packaging-like products:



- ✓ Typical “blue box packaging” items, made of paper, glass, metal or plastic



- ✓ Printed and un-printed paper (newspaper, magazines, flyers, office paper)



- ✓ Single-use products used for consumption (e.g., straws, cutlery, plates, coffee cups)



- ✓ Single-use products used for containment (e.g., aluminum foil, plastic bag)

Consistent across the Province

(O. Reg 391/21 s. 2)

Blue Box Materials



(O. Reg 101/94: Schedule 1)



(O. Reg 391/21 s. 2)

Producers vs. Producer Responsibility Organizations (PROs)



Producers

The brand holders, importers, or retailers of products that contain blue box materials

Any company that sells products (containing packaging materials) into the Ontario market, including on-line sales

Includes:

- Grocery store foods with packaging (cereals, cookies, frozen foods, dairy products)
- Retail stores items with packaging (cosmetics, games, household wares, dog and cat foods)
- Fast food packaging (burgers, fries, pizza, pop cans, water bottles)



Producer Responsibility Organization (PRO)

The Blue Box legislation allows for more than one organization/entity (called a Producer Responsibility Organization - PRO) to represent the producers of paper and packaging products

PROs will work with Producers to help them meet their responsibilities in the new Regulation

Each Producer decides which PRO to join

Producers vs. Producer Responsibility Organizations (PROs)



Producers



Producer Responsibility Organization (PRO)



CIRCULAR
MATERIALS

(Source: CircularMaterials.ca: Our Founders)

Circular Materials Ontario (CMO)

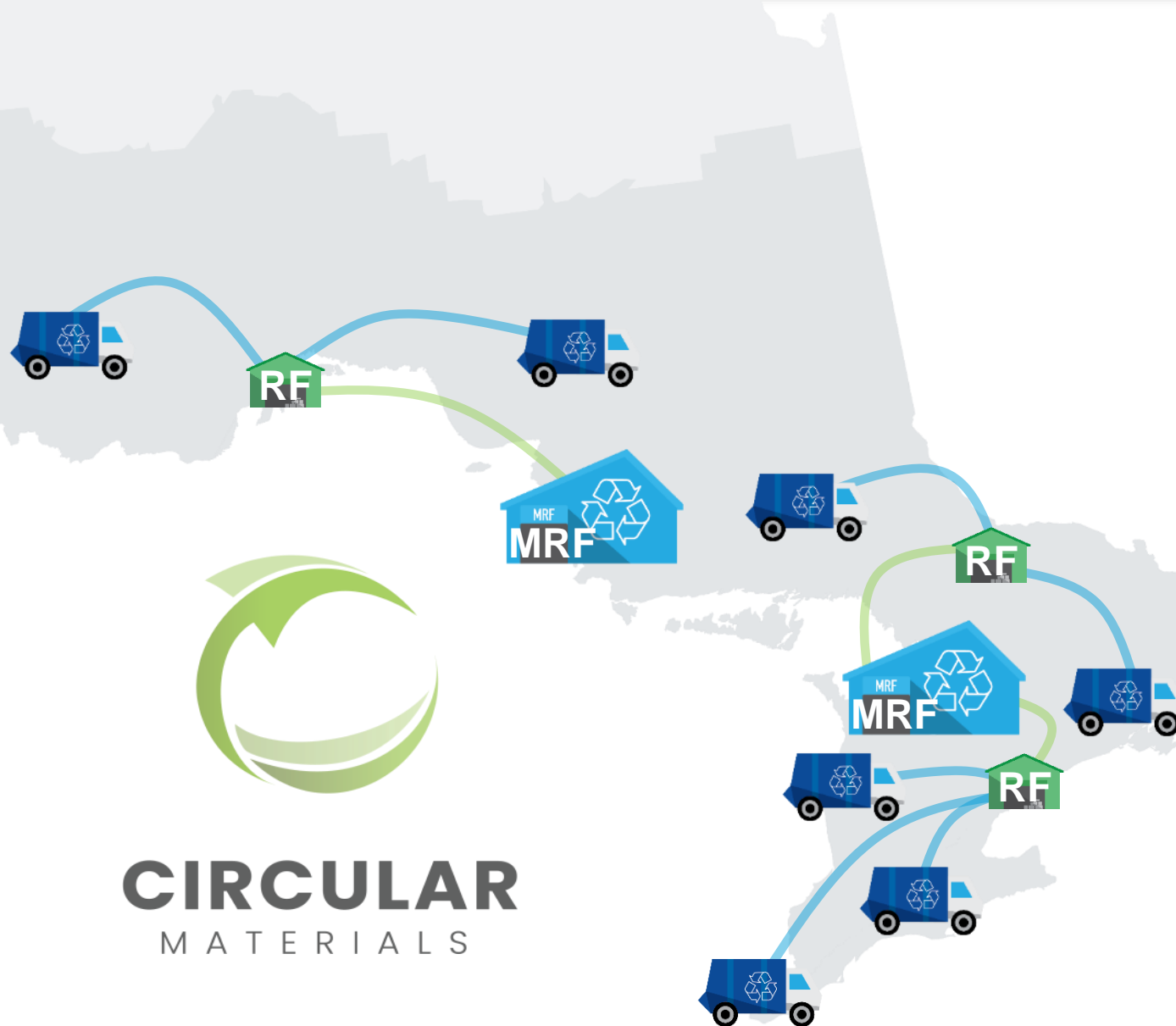
- As the majority PRO in Ontario, Circular Materials Ontario (CMO) is responsible for the **Common Collection System**
 - Will procure & award agreements for collection & consolidation of blue box materials
 - Has hired Reverse Logistic Group (RLG) to help arrange and manage its agreements
- Municipalities must share critical details about their Eligible Sources prior to the transition period to ensure a smooth handover of responsibility



CIRCULAR
M A T E R I A L S



Common Collection System



Circular Materials will oversee the **Common Collection System**

- Ensure curbside & depot collection for all Eligible Sources throughout the Province
- Determine locations of and designate **Receiving Facilities (RF)** for collection operators to deliver materials to for consolidation
- PROs transfer consolidated materials to a **Material Recycling Facility (MRF)**

CMO Offer

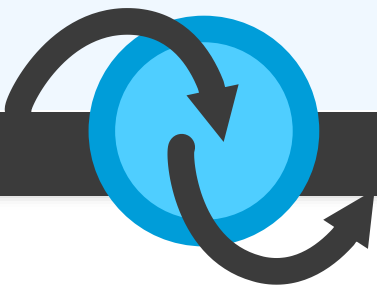
- Given the extensive scope of work and limited timeline to implement a province-wide collection system, CMO presented a standard offer, last revised September 28, 2022, to all municipalities in Ontario requesting that they provide interim blue box services during their transition period.



Municipalities wanting to provide collection services may **opt in** by signing agreements, with commercial terms set by CMO, thus becoming a Contractor to CMO

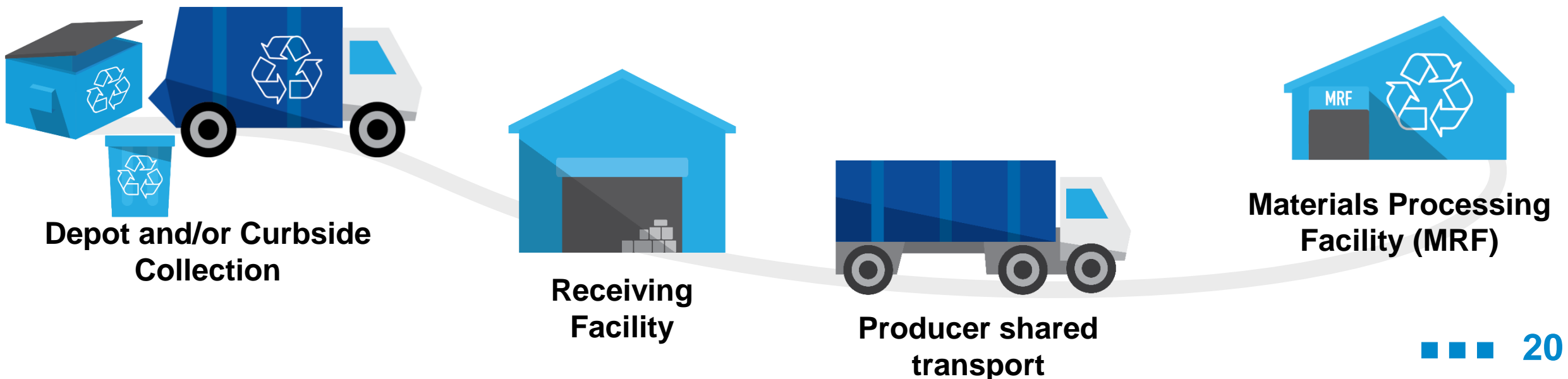
Municipalities not wanting to provide collection services may **opt out**, & CMO will secure arrangements with an alternate service provider

- Elimination of role - eligible community divests & assumes no role. CMO takes over all blue box service responsibilities
- Depot communities – location of depot will change



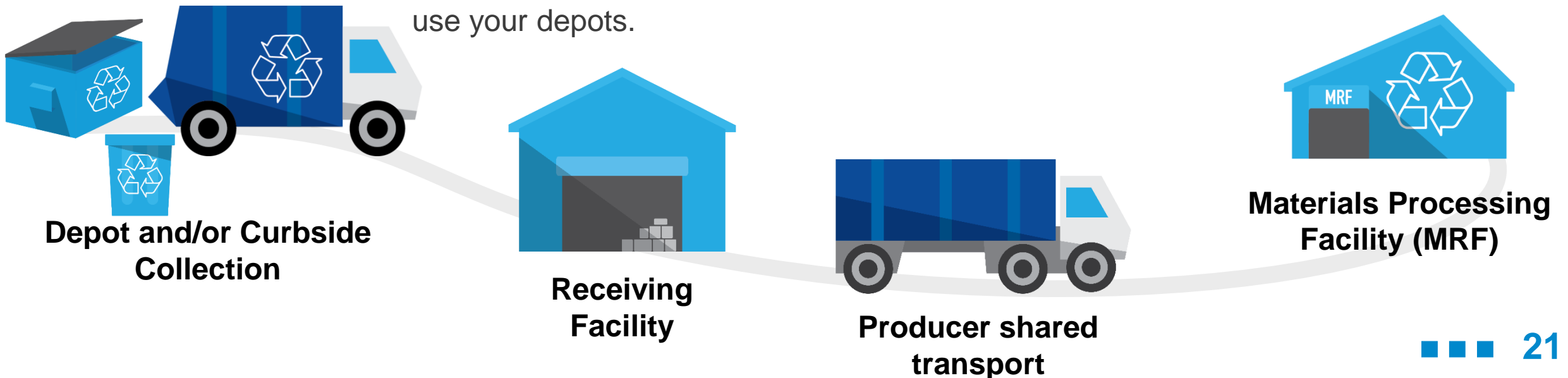
Opting In or Out

Communities can consider providing services at one or multiple points in the collection and post-collection system. Peterborough County Council has decided to **opt out** of all services (see Council Report [here](#)). There is an opportunity for Townships to contract with CMO for Depot Operations, to allow CMO to use Township depots to meet their legislated requirements. Townships would be compensated for this service.



Opting In or Out

Since Peterborough County has opted out of all services, CMO has approached the current contractor (Emterra) to offer them an agreement to continue to service all townships throughout the transition period for curbside collection, and collection from depots. CMO is required by the legislation to collect blue box material from the same number of depots currently being utilized in each Township during the transition period. To meet their requirements, they are offering contracts to townships for depot operations to allow them to continue to use your depots.



Township Depot Operations

Opting In-Sign Contract with CMO for Depot Operations

Pros	Cons
Blue box services will remain at current depots	Townships will have to agree to CMO's contract terms
Townships will receive payments from CMO for blue box operations	Payments will be standardized for all Townships, not based on actual costs

Opting Out-Do not Sign with CMO, no longer collect blue box material

Pros	Cons
Townships have no responsibility for blue box program and do not have to follow CMO contract terms	CMO will have to offer blue box depot services at another location in Township, inconvenient for residents
Additional space at Depots to utilize for other diversion programs	Townships won't receive payments

For townships where not every resident has curbside collection CMO will be required to continue offering depot services after the transition period. For townships where all residents have curbside collection (AN and CM) CMO may determine not to continue to collect at depots in your township after the transition period in 2026.

Next Steps

Next Steps

- CMO will be scheduling a meeting with each township individually to discuss the potential to contract and allow townships to ask questions
- County staff will also be present at this first meeting to assist
- County staff have asked Township staff to send contact information for who should be included at this first meeting from the Townships

Contract Documents

- CMO is currently working on a new Statement of Work document for Depot Operations to remove irrelevant sections of their current contracts posted on their website
- It is expected the new document will be similar to current contracts posted on their [website](#)
- The updated documents will be sent to Township staff prior to the first meeting with CMO

Payments

- CMO will present a standard payment model to all Townships based on a study of average costs they have completed
- The payment model will be sent to Townships prior to the first meeting with CMO

Site Infrastructure

- County currently owns front end bins present at the depots for blue box material
- During transition there is an option for the County to either transfer ownership of these bins to the Townships or Contractor (Emterra)
- After transition in 2026 CMO will require the Contractor to provide bins at depots

Council Decision

- Once Townships have met with CMO and reviewed offers, Township Councils can determine whether the Township opts in or opts out
- County staff are here to assist with information where required

Non-Eligible Sources

- Producers are not required to collect this material and will not allow it to be collected with eligible sources as of January 1, 2026
- There are options to have these sources collected with eligible sources during the transition period for a cost by CMO, or for Municipalities to collect them separately
- The County's contractor currently collects recycling curbside from approximately 500-600 non-eligible sources
- Non-eligible sources are currently able to use depots for recycling drop off
- County staff are working on options to present to Council on whether the County continues to provide blue box services to non-eligible sources starting in 2024 and how to fund this program



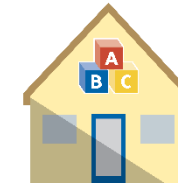
Industrial or commercial properties



Not-for-profit organizations



Municipal buildings or facilities
(e.g., libraries, arenas)



Daycare



Places of worship



Campgrounds and trailer-parks
(without permanent or seasonal households)



Commercial Farms

Non-Eligible Sources Option 1

County Continues to Collect blue box material from non-eligible sources and the recycling program is paid for by the residential and commercial tax levies

In this scenario the County would continue to administer blue box collection for non-eligible sources curbside and at the depots. The County would pay a contractor to provide this service and a combination of the residential and commercial tax levies would continue to fund this program. There would likely be a registration system for non-eligible sources to register for collection and be added to the program. Bins for non-eligible sources at depots would be segregated from residential material and would continue to be free to use.

Pros	Cons
Residential and Commercial properties will pay less than what they are currently paying for blue box services on their property taxes	Residential tax payers would have to subsidize the program for businesses
Minimizes disruption or change in customer experience as this option is status quo to the current program	Additional administration work for Township and County staff to manage program
Allows for increased number of service stops for a lower price per stop than if non-eligible sources were responsible for their own collection	Increased monitoring and enforcement required at depots to keep material separate

Non-Eligible Sources Option 2

County Continues to Collect blue box material from non-eligible sources and the recycling program is paid for by the commercial tax levy only

In this scenario The County would continue to administer blue box collection for non-eligible sources curbside and at the depots. The County would pay a contractor to provide this service and tax non-residential (non-eligible) properties only to receive this service. There would be a registration system for non-eligible sources to register for collection and be added to the program. Bins for non-eligible sources at depots would be segregated from residential material and non-eligible sources may be charged disposal fees at depots to cover the costs of the depot collection service.

Pros	Cons
No burden on residential taxpayers	Non-eligible properties would pay more than what they are currently paying for blue box service in their property taxes since the program would not be subsidized by the residential tax levy.
Allows for increased number of service stops for a lower price per stop than if non-eligible sources were responsible for their own collection	Increased likelihood of complaints and frustration from non-eligible sources since there would be increased costs to businesses
Increased revenue from tipping fees at depots to help cover costs of program	Increased monitoring and enforcement required at depots to keep material separate

Non-Eligible Sources Option 3

Stop Collecting

In this scenario the County would stop collecting blue box material from non-eligible sources curbside and at depots. The County could put together a list of contractors for non-eligible sources to use as reference and they would be responsible for setting up their own private arrangements for blue box collection.

Pros	Cons
Non-eligible sources would pay less on property taxes and will be able to source their own contracts/pricing	Likely the most inconvenient option for non-eligible sources
No burden on residential taxpayers	Increased likelihood of complaints and frustration from non-eligible sources once collection stops
No administrative work required by County	Could be most expensive scenario for non-eligible sources

Non-Eligible Source Surveys

- County staff will be surveying non-eligible sources on their preferred option in Q1 of 2023
- Please direct any inquiries you receive based on these surveys to County staff



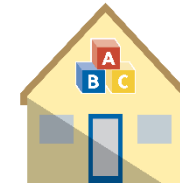
Industrial or commercial properties



Not-for-profit organizations



Municipal buildings or facilities
(e.g., libraries, arenas)



Daycare



Places of worship



Campgrounds and trailer-parks
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Commercial Farms

Non-Eligible Sources at Depots

- CMO is offering to collect Non-eligible sources mixed in with eligible source material at depots during the transition period **only** for a cost
- If Townships cannot prove otherwise CMO will assume that 25% of the blue box material in the bins is from non-eligible sources and charge a standard fee to collect and process this material
- CMO has developed a [guidance document](#) for managing non-eligible sources at depots which includes approved methods for determining an actual percentage of non-eligible source material at depots
- It's uncertain whether this option will be cost effective, however County staff will work with townships to work through the methods in the guidance document to determine the actual percentage of non-eligible sources at depots to provide to CMO if the County and Townships wish to utilize this option in the future
- Methods include surveying customers at depots for a set period to determine whether the customer is from an eligible or non-eligible source, or utilizing MPAC data



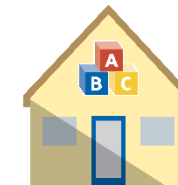
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Commercial Farms

Summary and Next Steps

- All Townships transition to producer responsibility of the blue box on January 1, 2024
- County has opted out of providing all blue box services
- CMO will be responsible for providing a contractor for curbside collection and collection at depots
- CMO is interested in working with Townships for Depot Operations to allow them to meet their legislative requirements and continue using existing depots for blue box material drop off
- CMO will set up meetings with each Township individually, and include County staff to discuss their offer
- CMO will provide Townships with the contract documents and payment model prior to the meeting
- Township Councils can determine whether the Townships will contract with CMO (opt in) or opt out and stop accepting blue box material at depots
- County staff will continue to work with townships on non-eligible source options at depots, and send out surveys to non-eligible sources in Q1 of 2023
- County Council will determine how to move forward with non-eligible sources
- County staff are available to assist Townships wherever needed