

Information Report

Title: Blue-Box Transition Program Update

Report Number: Environmental Services-2024-23

Director: Infrastructure & Development

Manager: Environmental Services

Meeting Date:
Wednesday, September 11, 2024

Executive Summary:

The Municipality of Kincardine has provided blue box collection and recycling services to residents and businesses for many years. In 2021, O. Reg 391/21 was passed requiring producers of packaging to become responsible for managing the end of life of their materials. The regulation includes eligible sources such as residential and multi-residential homes to continue to receive blue box services. Non-eligible sources such as Institutional, Commercial, and Industrial (ICI) will not be eligible to receive blue box services through producer responsibility. A report was brought to the Council at the July 10th meeting for information pertaining to the new changes to the Blue Box program in Ontario. This report is a follow-up providing additional details, information and updates to the program.

Context and Background Information:

In 2002, the Waste Diversion Act was passed leading to the creation of the Blue Box Program Plan, which required producers of printed paper and packaging to fund 50% of the costs for the residential portion of municipal blue box programs. This included both curbside collection and processing of blue box materials.

In June of 2021, the Ontario Government released O.Reg. 391/21 Blue Box to begin the process of transitioning the responsibilities of recycling to a producer responsible model. The current system which has producers of the products partially funding recycling programs and municipalities responsible for delivering the collection and pick-up system and funding a component of the program. These products include plastic, paper and packaging-like products.

A standardized list of materials that will be collected in the blue box program across Ontario has been created and producers pay fees based on reported tonnages of materials supplied to Ontario, which are managed by a Producer Responsibility Organization (PRO). The PRO is responsible for coordinating the collection, management and administrative services of the blue box program to help producers meet their obligations under the Blue Box Regulation.

The Ontario Government notes the benefits of producer responsibility as being:

Producer responsibility is the most effective and accountable way to:

- *promote waste diversion*
- *align costs of managing products and packaging at their end-of-life*
- *save taxpayers money*
- *give producers incentive to redesign products and make them easier to recycle*

Ontario will continue to ensure that during program transitions to producer responsibility, there will be no disruption to public services.

<https://www.ontario.ca/page/producer-responsibility-ontarios-waste-diversion-programs>

All municipalities, excluding the far north, will transition to producer responsibility between July 1, 2023, and December 31, 2025. The regulation identifies a transition schedule of various timelines for implementation across the province. Through this process several tenders and contracts were awarded for collection and depot services. These types of services involve having the capabilities and avenues to collect, manage, audit, and then dispose of products to recycling vendors.

During the transition period, residents should not experience changes or disruptions to recycling collection. Producers are responsible for communication of public education materials for the blue box program.

The Blue Box Transition Schedule identifies that the transition to the producer responsibility for the collection, management of materials and achieving diversion targets for the Municipality of Kincardine will see the transition for December 2025.

The Municipality for several years has had collection stream picked up from Bruce Area Waste and Solid Recycling (BASWR). The Municipality is also a 1/7 owner of BASWR, with other neighboring Municipalities. Through the initial tendering process BASWR was unable to meet various requirements that would make them eligible to bid on the collection catchment area 17 in which Kincardine falls under. This contract was awarded to Waste Management Canada, based out of Mount Forest. In early 2024, after working in consultation with its Board of Directors, BASWR submitted a bid to Waste Management for the continued collection of the recycling services. In August of 2024, BASWR was informed they were successful with their bid for a seven-year contract (with a possible 3-year extension) to continue the collection of recycling materials.

The most significant impact affecting Kincardine in the changes is this process now includes non-eligible services in the regulations which are currently receiving curbside pickup. These groups include (ICI) properties. In the current program, many of these types of properties are receiving curbside pickup for recycling, however on January 1st, 2026, they will be ineligible for pickup.

The Blue Box Regulation O. Reg 391/21 identifies eligible sources for blue box collection and non-eligible sources that do not qualify for collection.

Eligible sources include: single-family homes, seasonal dwellings, multi-unit residential buildings, public and private elementary and secondary schools, specified retirement and long-term care homes, specified public spaces. Retirement and long-term care homes that were collected prior to transition, will continue to receive collection services. Any new retirement or long-term care homes built will require private collection of recycling.

Non-eligible sources include: industrial or commercial properties, BIAs, not-for-profit organizations, municipal buildings or facilities, daycares, places of worship, campgrounds and trailer parks (without permanent or seasonal households) and commercial farms.

Based on the Municipalities water meter program there are currently 242 properties that fall under these conditions for non-eligible. There will be additional non-eligible sources that would include several municipal buildings that are being collected, factory farms, and other ICI sources that are not on a municipal water system. Staff are estimating around 400 properties that are currently receiving pickup will become non-eligible.

In the past under the previous O. Reg 101/94 and Waste Diversion Act, collection and processing of non-eligible source material was not covered by the 50% producer funding municipalities received. Many municipalities have provided this service to non-eligible sources since most were located on collection routes. In addition, Norfolk County received funds from the sale of the recyclable material, which helped offset some of these costs.

The second significant impact will be depots such as Bruce Avenue, and the Tiverton Library sites. These types of sites will have to be closed, and based on Council decisions we would anticipate these bins would have to be moved to the Waste Management Centre in Armow or discontinued. Through the new regulations tracking and auditing materials will become essential. It is likely that Kincardine will have to weigh-in, recycled materials and cardboard received at the Waste Management for tracking and auditing and will have to work with BASWR or other recycling streams to ensure this product is picked up and recycled. Having sites that are open to the public and uncontrolled for auditing purposes will cause significant problems for staff.

The final impact will likely be seen at the Waste Management Centre in Armow. Resources may need to be invested to compensate for the changes in the regulations. This could include weighing recycled materials, arranging recycling services and pickup, hours of service to accommodate non-eligible services, tracking and auditing of intake at the site. Capital investment into the storage or collection on the grounds may also need to be reviewed.

Consultation Overview:

The Environmental Services group has reached out and began the process of working with the Strategic Initiatives, and Corporate Services, to first identify and then begin to collect feedback from ineligible sources. Through outreach with these groups, we feel providing these non-eligible sources the information on the changes and then getting feedback will help the council make decisions in the 2025 calendar year.

Currently, based on information collected from the water meter system, we have 242 commercial users that would be affected by these changes. We anticipate we might have an additional 50-60 users that are not on the drinking water system but would fall under the regulations changes.

Options to Handle Non-Eligible Source Recyclable Material

Based on information we have collected through various platforms, workshops, and learning from Municipalities already in the transition we feel these may be some of the viable options we could provide our non-eligible sources.

Option 1: Non-Eligible Source Material Not Collected

The Municipality stops the collection of Blue-Box services to these non-eligible sources and has the owners become responsible for recycling. This would more than likely involve owners transporting recycling to the Waste Management Centre in Armow. Kincardine may have to look at things like availability and quantity of bins, hours of operation, and the availability of disposing of this product once collected.

Option 2: Non-Eligible Source Material Collected During Transition and Post Transition

The Municipality could continue to offer curbside pickup for these sources and absorb the cost through current funds allocated for recycling. The Municipality could also continue to collect these services, and invoice them back to the non-eligible sources. Several communities have transitioned already and have decided on one of the above criteria. Through continued workshops those that have continued curbside pickup have noted that they have had to run separate routes for non-eligible sources. The auditing and reporting will not allow them to pick up eligible and non-eligible sources at the same time. In addition, many of those communities have provided different coloured recycling containers to non-eligible sources to avoid confusion with pick-ups. Kincardine would also have to ensure that BASWR or another firm would have the capacity for these additional routes and collection services. Other areas that have been identified as problematic and may need to be considered by the council include, moving to clear bags for garbage collection, and if the Municipality will still be able to accept residential recycling at the waste management centre.

Currently the operations budget for 2024, has Kincardine paying about \$262,000 dollars for the recycling program. Additionally, the commercial cardboard collection program budgets \$90,000 dollars. These budget items would be removed effective January 1st, 2026. However, investment of these savings will need to be used to add recycling bins, and collection area at the waste management centre. The possibility of funding a non-eligible recycling collection program could also be considered with these funds.

Origin:

Regulation Change/Report

Attachments: None

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