



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Solid Waste Services Committee
From: Das Soligo, Manager of Solid Waste Services
Date: Tuesday, February 13, 2024
Subject: **Blue Box Transition**

Background:

On June 3, 2021, the Ministry of the Environment, Conservation and Parks (MECP) released the Blue Box regulation (Ontario Regulation 391/21) that transitions the current Blue Box Programme to full producer responsibility, a system where producers of printed paper and packaging (PPP) are responsible for managing and funding all aspects of recycling in the residential sector. Currently, up to 50% of the cost of municipal recycling programmes are funded by producers. Once a municipality's blue box programme has transitioned, the full cost of these programmes will be paid for by producers.

Producer Responsibility Organizations (PROs) are funded by producers and have been enlisted to assist producers of PPP in meeting their regulatory requirements under the Blue Box Programme. PROs are expected to provide collection, management and administrative services to producers to aid them in meeting their regulatory obligations.

The primary organization representing producers, is Circular Materials (CM). As the PRO which has signed on the most and the largest producers, CM has come to dominate the space and is now acting on behalf of the other, smaller PROs by generating rules which will apply to transitioning communities. CM has implemented the transition in some communities and will be doing so for the remainder of the province by the end of 2025.

As an attachment to the Blue Box regulation, the MECP released a transition schedule which indicates that all Ontario municipalities will transition between July 1, 2023 and December 31, 2025. The County of Wellington's blue box programme is scheduled to transition on July 1, 2025. As has been reported previously, if 100% of the costs of operating the County's recycling programme are compensated for, it is estimated that the transition will result in \$1.8 - \$2 million in annual savings.

There will be service impacts for the industrial, commercial and institutional sector (IC&I) and also potentially for residents who use Wellington County waste facilities for their recycling disposal needs. Decisions will need to be made whether the County wishes to provide continuity for these services. These decisions are complicated by the fact that the producers haven't released a full set of terms for agreements between the producers and the County, and any post-transition recycling services the County wishes to continue that would be at the County's expense.

CM has set a deadline of March 15, 2024 for municipalities to indicate whether they intend on having a role in providing recycling services during the transition period which ends on December 31, 2025.

Service Impacts – July 1 – December 31, 2025:

Throughout the transition period (July 1, 2023 – December 31, 2025), producers of PPP are required to continue operating municipal recycling programmes, or replace these programmes at a comparable service level. It is expected that the majority of Wellington County residents will not observe any substantial changes during the transition period of July 1, 2025 – December 31, 2025.

CM is expected to finalize an agreement with the County's curbside collection contractor, to continue to provide services through the remainder of the transition period. This means that collection will remain on the same day as it currently is, and services will be provided by the same contractor that currently services County residents. Two significant changes will be that PROs will be responsible for promotion and education related to recycling, and they will also be responsible for fielding inquiries and complaints related to recycling services.

Another potential impact is related to the fact that producers will not be funding recycling at waste facilities (Depots) in municipalities where there is existing curbside collection services. Therefore, County Council will need to decide whether to continue to allow residents to use the County's waste facilities to drop off recyclable materials. Allowing this would require an agreement to be signed with CM, and the County would bear the cost of providing this service.

Full producer responsibility for recyclables was initially limited exclusively to materials generated in the residential sector. Following feedback from municipalities and waste management associations, the list of eligible sources was been expanded to include;

- Schools
- Municipally or not-for-profit operated long-term care and retirement homes
- Parks and playgrounds
- Transit stations

Sources of recyclables that will be ineligible for services under the full producer responsibility regime include;

- Municipal buildings and facilities
- Industrial, commercial and institutional organizations, including Business Improvement Areas
- Places of worship
- Not-for-profit organizations

While service levels and the service experience will be relatively unimpacted for residents, as of July 1, 2025, businesses and many institutions may lose access to recycling services. Municipalities are being offered the opportunity to utilize curbside collection crews under contract with CM, to continue to provide collection service to IC&I organizations along collection routes, at a cost. For IC&I organizations that utilize curbside services and for residents or businesses using waste facilities for recycling services, CM will only support or sign agreements for service provision during the transition period, which is July 1 – December 31, 2025 for Wellington County.

Service Impacts – January 1, 2026 and Onwards:

Following the transition period, producers are required to implement a standardized Provincial Blue

Box Programme across Ontario that meets the regulatory requirements set by the province, which will be effective January 1, 2026. The allowable blue box items will not only be standardized but will be expanded. At this time, residents will experience other notable changes to recycling services.

For example, it is widely expected that residents will be provided large, wheeled carts to store their recyclables, and place them at roadside for collection. The day of collection for recyclable materials will change for the majority of residents, and PROs will have retained new contractors to perform services over a long-term contract.

As of January 1, 2026, CM and the other PROs will no longer be offering any support or pricing guarantees for recyclables processing, to municipalities who wish to continue providing limited recycling services to residents or businesses. Municipalities wishing to maintain Depot services or IC&I collections will do so at their own cost.

Over the long-term, the recycling system may change notably as producers can create incentives to improve packaging and recyclability. The Blue Box regulation was developed with the hopes that once producers were bearing the full cost of recycling and were responsible for managing the recycling systems in the province, that innovative approaches to waste management would result from the desire to reduce costs and increase efficiencies.

However, the fact that there are currently no obligations related to recyclables generated in the IC&I sector is a source of frustration for many municipal staff and politicians. The Province has established waste diversion targets of 30% by 2020, and of 50% by 2050. The Association of Municipalities of Ontario has noted that the 2050 target is likely not achievable without requiring IC&I organizations to recycle materials generated in their facilities and operations. The Province has not announced any forthcoming regulations to address this situation.

Post-Transition Wellington County Role in Recycling:

In the coming months, County Council will need to decide if the County should have a role in recycling post-transition, and if so, what should it be. As the County's transition period is only six months in duration, staff recommend that Council consider the long-term, and look beyond the six-month window in which the producers will be offering limited supports to continue recycling services until 2026.

Staff see that there are several potential opportunities for the County to maintain limited recycling services to residents and/or businesses;

- **Allow residents to use Depots for recycling disposal**
- **Allow businesses to use Depots for recycling disposal**
- **Establish business recycling collection routes in downtown areas**

All of these options will be available during the transition period, with some limited support from PROs. As of January 1, 2026 these supports will no longer be available. CM is asking municipalities to indicate whether they will offer recycling services during the transition period, by March 15, 2024. This will be a non-binding decision and is presumably to allow CM to plan to develop agreements that will be required as well as account for additional volumes of recycling within the system.

As staff have not received any information from CM related to terms of these potential agreements, it is not possible to cost out these potential service options at this time. Staff plan to indicate that the County intends to have a role in limited recycling services during the transition period, to keep options available and allow time to receive information that will be required to develop cost estimates for these potential future recycling roles.

Once these cost estimates are developed, staff will report back to the Solid Waste Services Committee and County Council, in order to allow Council to make informed decisions related to future service options. Staff anticipate that this information will be available to be reported on this Spring.

Strategic Action Plan:

This report relates to the following objectives and priorities in the County's Strategic Action Plan:

- Making the Best Decisions for the Betterment of the Community

Recommendation:

That the February 13, 2024 report titled "Blue Box Transition" be received for information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Das Soligo", with a long horizontal flourish extending to the right.

Das Soligo
Manager of Solid Waste Services