



Corporation of the Municipality of Temagami

Memo No.
2024-M-053

Memorandum to Council

Subject: Municipal Blue Box Program

Agenda Date: **March 14, 2024**

Attachments:

RECOMMENDATION

BE IT RESOLVED THAT Council receives this memo for informational purposes about the new Ontario Regulation 391/21 Blue Box program.

BACKGROUND

The province passed legislation in November 2016, referred to as the Waste-Free Ontario Act, 2016 (WFOA), which includes the Resource recovery and circular Economy Act (RRCEA) and Waste Diversion Transition act (WDTA).

The legislation promotes a circular economy in which products and packaging are designed to minimized waste and then be recovered, reused, recycled, and reintegrated back into production. A key driver of the circular economy is the transition to individual Producer Responsibility (IPR). IPR means that producers are responsible and accountable for collecting and managing their products and packaging after consumers have finished using them.

The RRCEA outlines a framework for IPR in the province and the Ontario Government is responsible for designating materials for transition IPR.

BLUE BOX REGULATION

The intent of the regulation is to expand the residential blue box program to all Ontario communities and most First Nation communities, standardize the list of blue box materials collected across the province, require minimum service levels, and establish diversion targets for blue box material. Resource productivity and Recovery Authority (RPRA) is the regulatory body mandated by the Government of Ontario to enforce the province's circular economy laws and to over see and monitor producer responsibility programs.

The regulation is being implemented in two phases:

1. Transition (July 1, 2023 to December 31, 2025) – this transition phase enables the producers to transition eligible communities and First Nation communities over a period of two and a half years.
2. Post – transition (starting January 1, 2026) – the full producer responsibility program comes into effect including targets and standardization of blue box materials.

The Municipality of Temagami will transition on October 1, 2025.

The regulation states what entities must be serviced by producers during the transition period and post transition. These entities are referred to eligible sources.

Eligible sources include:

- Residential homes (permanent or seasonal)
- Residential units in mixed use buildings
- Multi-residential buildings (apartments and condominiums)
- Schools (public and private, elementary to secondary, but not post-secondary)

- For-profit long-term care and retirement homes receiving community blue box collection (if service was received as of August 15, 2019)
- Non-profit long-term care facilities and retirement homes
- Public spaces (community parks, sidewalks)
- Permanent or seasonal households within campgrounds and trailer-parks

Under the regulation, producers have no legal obligation to collect blue box material from non-eligible sources during or after transition as these sources are not captured in the Blue Box Regulation. Therefore, costs associated with providing collection to this sector (and related promotion and education, administration and processing) will continue to be their own responsibility

No-eligible sources include:

- Industrial or commercial properties (not including residential units on the property).
- Not-for-profit organizations
- Municipal buildings or facilities
- Daycares
- Campgrounds and trailer parks for temporary stay
- Commercial farms (not including a residential home on the farm property)

CURRENT BLUE BOX SERVICE

The following provides details on the Municipality of Temagami’s current blue box services.

Curbside:

- 425 households receiving curbside service
- None of the non-eligible sources are part of the curbside service
- Bi-weekly curbside collection service provided by GFL Environmental Services

Depots:

- Three (3) blue box depots
- Who has access – Temagami is somewhat challenged because when it comes to Blue Box materials, it has historically not made any distinction between residential and commercial sources. We are unsure of how many tonnes of commercial Blue Box materials we are managing at our three depots
- Depot collection service is call in basis

The past five (5) years operating budget

	2019	2020	2021	2022	2023
Expenses	\$86,338.50	\$101,409.92	\$103,698.97	\$97,530.63	\$97,727.10
Revenue	\$226.90	\$315.25	\$78,022.05	\$682.50	\$92,913.18
Net Cost	\$86,111.60	\$101,094.67	\$25,676.92	\$96,848.13	\$4,813.92

The Municipality of Temagami will need to decide between two options that are only applicable during the transition period (until December 31, 2025)

- **Option 1:** Opt-in and continue to operate the blue box program on behalf of Circular Materials (CM).

- **Option 2:** Opt-out and hand over full operational responsibility of the blue box program to CM. CM will procure a service provider to ensure residents continue to receive blue box service.

It's important to note that the Municipality of Temagami can choose different options for curbside blue box service and depot blue box service.

Option 1: Opt-in and provide service as a contractor for CM

All communities have access to agreements on CM's website to provide collection and Promotion & Education (P&E) services as a contractor for CM during the transition period. Service to non-eligible sources may continue under this option with the full cost being paid by the non eligible source. If the Municipality chooses this option, blue box operating costs and payment for providing this service from CM will be included in our Municipal budget.

Option 2: Opt-out and hand over full operational responsibility of the blue box program

CM assumes full operating and financial responsibility for blue box service delivery and procures/manages the service provider.

Curbside service – CM will determine who the service provider will be, which may be the existing contractor or a new contractor. Service to non-eligible sources may continue during transition if the community can make an arrangement with the CM service provider to continue providing the service at the community's cost.

Depot Service – CM may choose to operate the blue box depot(s) at a different location(s) which may not be a convenient for residents. In addition, CM will not allow non-eligible sources to access their designated depot(s) so the Municipality would have to arrange and pay for collection, hauling and processing services for non-eligible sources with repayment by user. There may be an opportunity to allow a CM contractor to access our depot location(s), but this would require negotiating a site access agreement or lease to allow a CM contractor to manage blue box services on site.

Non-eligible Sources

The commercial sector is very clearly excluded from Ontario Regulation 391/21 Blue Box. As such, Council will ultimately have to make a decision based on the following:

Option	Transition Period (October 1, 2025 to December 31, 2025)	Post – Transition (January 1, 2026)
Mix together eligible & non-eligible sources of Blue Box material in the same bins	Permitted, but Temagami will incur an automatic 25% penalty in Blue Box funding, regardless of whether non- eligible sources comprised 25% of Blue Box tonnage	Not permitted
Operate separate blue box drop-off bins for Eligible and Non-Eligible sources	Who funds the commercial Blue box program: taxpayer, user-pay?	Who funds the commercial Blue Box program: taxpayer, user-pay?
Require Non-eligible sources to arrange for private Blue Box collection	Commercial sector may not be supportive of this	Commercial sector may not be supportive of this

Next Steps

CM has requested that all transitioning communities decide whether they wish to opt-in or opt-out of providing blue box services well in advance of their transition date. There are some risks associated with opting-out at the depot that we do not know where CM would locate alternative blue box depots, if an agreement for use of land could not be reached.

Circular Materials (CM) has provided an opportunity to decide whether to:

It’s important to note that the Municipality of Temagami can choose different options for curbside blue box service and depot blue box service.

Option 1 – opt-in and operate the blue box program as a contractor for CM or

Option 2 – opt-out and hand-over full operational and financial responsibility for the blue box program to CM.

Staff will continue to keep Council and community informed of changes and key milestones as the transition moves forward.

Respectfully Submitted:
 Deb Larochelle, Public Works Clerk