



THE REGIONAL MUNICIPALITY OF PEEL
WASTE MANAGEMENT STRATEGIC ADVISORY COMMITTEE
AGENDA

Meeting #: WMSAC-4/2020
Date: Thursday, October 29, 2020
Time: 11:00 AM - 1:00 PM
Location: Council Chamber, 5th Floor
Regional Administrative Headquarters
10 Peel Centre Drive, Suite A
Brampton, Ontario

Members: G.S. Dhillon, P. Fortini, A. Groves, N. Iannicca, J. Innis (Vice-Chair), J. Kovac, M. Mahoney, M. Palleschi, K. Ras, I. Sinclair, R. Starr (Chair)

Due to the efforts to contain the spread of COVID-19 there will be limited public access to the Council Chambers, by pre-registration only. Please email regional.clerk@peelregion.ca to pre-register. The meeting will be live streamed on <http://www.peelregion.ca/>

1. CALL TO ORDER
2. DECLARATIONS OF CONFLICTS OF INTEREST
3. APPROVAL OF AGENDA
4. DELEGATIONS
5. REPORTS
 - 5.1. Waste Management Financial Plan Update – Result of First Round of Public Consultation and Recommended Next Steps
Presentation by Norman Lee, Director, Waste Management
 - 5.2. Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility
(Presentation included under Item 5.1)
 - 5.3. Proposed 2021 Waste Management Service Changes
(Presentation included under Item 5.1)

6. COMMUNICATIONS

- 6.1. Jeff Yurek, Minister and Andrea Khanjin, Parliamentary Assistant to the Minister, Ministry of the Environment, Conservation and Parks
Email dated October 16, 2020, Regarding an Invitation to Participate in the Provincial Day of Action on Litter – Waste Reduction Week Initiatives (Receipt recommended)

7. OTHER BUSINESS

8. IN CAMERA

9. NEXT MEETING

Thursday, November 19, 2020
9:30 a.m. to 11:00 a.m.
Council Chamber, 5th floor
Regional Administrative Headquarters
10 Peel Centre Drive, Suite A
Brampton, ON

10. ADJOURNMENT

REPORT TITLE: Waste Management Financial Plan Update – Results of First Round of Public Consultation and Recommended Next Steps

FROM: Andrew Farr, Interim Commissioner of Public Works

RECOMMENDATION

That the evaluation criteria to be used by staff to evaluate the potential funding approaches as outlined in the report from the Interim Commissioner of Public Works titled “Waste Management Financial Plan Update – Results of First Round Public Consultation and Recommended Next Steps” be endorsed;

And further, that the plan for a second round of public consultation to engage Peel residents for follow up feedback on potential funding approaches as outlined in the subject report be endorsed.

REPORT HIGHLIGHTS

- The Region of Peel’s long-term Waste Management Strategy “The Roadmap to a Circular Economy in Peel” (the Roadmap) includes an action to develop a Financial Plan that provides sufficient and stable long-term funding for waste management services.
- The intent of the Financial Plan is to also incentivize residents to divert waste and adhere to the principles set out in the Region’s Long-Term Financial Planning Strategy.
- While other options are still under consideration and further public feedback on the options will be sought before making a final recommendation, initial findings suggest a Financial Plan that combines a fixed base amount paid through taxes and a variable amount paid through volume-based user fees could achieve the Region’s objectives.
- Feedback from residents during the first round of public consultation supports this initial finding.
- The second round of public consultation has been delayed due to COVID-19. Staff recommend scheduling the second round of consultation workshops in 2021.
- The final Financial Plan will be presented to Regional Council for approval in late 2021 following the second round of public consultation

DISCUSSION

1. Background

On December 14, 2017, Regional Council approved Peel’s long-term Waste Management Strategy titled, “The Roadmap to a Circular Economy in Peel” (Council Resolution 2017-972) which includes a list of actions to achieve Peel’s target of 75 percent 3R’s diversion by 2034. The Roadmap identified a need for significant new funding to implement all the actions needed to achieve Council’s diversion target.

Waste Management Financial Plan Update – Results of First Round of Public Consultation and Recommended Next Steps

One of the actions in the Roadmap is the development of a Waste Management Financial Plan that details how the capital and operating expenses of the Roadmap will be financed. Development of the Financial Plan will include consideration of a volume-based user fee, which is considered a best practice in incentivizing/achieving high waste diversion.

On April 25, 2019, Regional Council approved Peel's Updated Long-Term Financial Planning Strategy, which sets out key principles Peel should follow in its formulation of policies that relate to the financing of programs and initiatives (Council Resolution 2019-368). Key principles that apply to the development of the Waste Management Financial Plan include respecting the taxpayer; managing assets; implementing user pay where appropriate; delivering value for money; and, mitigating significant fluctuations in tax and utility rates.

On June 20, 2019 and October 31, 2019, the Waste Management Strategic Advisory Committee endorsed two reports related to the waste management Financial Plan which included a detailed workplan.

This report details the findings of the first round of public consultations and the next steps in the development of the Financial plan.

2. Process

The development of the waste management Financial Plan includes two concurrent streams of work.

Stream 1 includes the development of a cost forecasting model, which forecasts Peel's waste management costs and revenues, including the annualized capital cost of infrastructure (e.g. anaerobic digestion facility, mixed waste, community recycling centres, etc.) and infrastructure replacement to 2041. It will also include the impact of population growth.

Stream 2 includes the development of a funding model which includes an assessment of potential user pay systems. The funding model includes the ability to examine how various user fee scenarios impact waste management funding and will help to determine an optimal funding structure that meets the Region's objectives and balances what residents can afford.

Development of the Financial Plan includes two rounds of public consultation; the first of which has already occurred.

Following the second round of public consultation, staff will bring a report to Council in late 2021 with a final Financial Plan that meets the Region's objectives and balances what residents can afford. The report will also recommend preferred timing for implementing the recommended funding structure.

Waste Management Financial Plan Update – Results of First Round of Public Consultation and Recommended Next Steps

3. Project Stage Status Update

a) Cost Forecasting Model Development

The cost forecasting model is being developed using waste management's current 10-year capital plan and current operating budgets as well as recent years' actual annual expenses and revenues to establish a baseline. Annual costs and revenues are forecast to 2041 by applying consumer price index increases and housing and tonnage growth assumptions; and, by adding the estimated costs to implement the initiatives proposed in the Roadmap. As the Region's growth projections are updated (e.g. to incorporate the province's recent 2051 growth numbers) the cost forecasting model will also be updated.

The cost forecasting model will include the ability to assess different scenarios that may impact costs in the future such as changes to regulations (e.g. blue box transition). It will also include the ability to adjust the timing and costs of the actions in the Roadmap.

b) Funding Model

i. Environmental Scan

The environmental scan involved examining waste user fee approaches from comparable jurisdictions across North America.

Findings from this environmental scan revealed that many municipalities have or are considering a funding structure that combines funding through taxes with either a flat or variable user fee. Including a variable user fee for garbage is considered a best practice for incentivizing residents to reduce the amount of garbage they generate and increase diversion.

Full details on findings of the environmental scan, outlined in Appendix I, were presented in the update to the Waste Management Strategic Advisory Committee on October 31, 2019 titled "Waste Management Financial Plan Update".

ii. First Round of Public Consultation Workshops

To initiate the user fee assessment, the Region hosted a series of public consultation workshops with Peel residents in March 2020 to solicit feedback on the funding models being examined. Staff also used the opportunity to ask residents what matters most to them when it comes to paying for waste management services.

The main objectives of these initial public workshops were to:

- Introduce the Financial Plan project to residents and provide a rationale on why the project is important and being undertaken;
- Collect feedback from residents on what is important to them when paying for services; and,
- Collect feedback on various funding models, with a focus on what residents like about each one and what their concerns might be.

Waste Management Financial Plan Update – Results of First Round of Public Consultation and Recommended Next Steps

Residents of Mississauga, Brampton and Caledon were provided with the opportunity to participate in the public workshops, either in person or online. Unfortunately, the Brampton in-person workshop was cancelled at the onset of COVID-19. To allow Brampton residents ample opportunity to comment in a safe manner, the online workshop was extended to provide additional time for participation.

Table 1 provides a summary of the Phase 1 public consultation workshop participation.

Table 1: First Public Consultation Workshop Participation

Workshop Location	Date	Attendees/Responses
Mississauga	March 2, 2020	71 Attendees
Caledon	March 3, 2020	14 Attendees
Brampton	Cancelled due to COVID-19	-
Online	March 2 - 22, 2020	8,500 Total Responses 55% - Mississauga 30% - Brampton 14% - Caledon 1% - Other

Residents were asked to review a variety of funding models and provide their thoughts on what they liked and disliked. The common themes identified from the feedback received are as follows:

- Incentivizing waste reduction is important to residents. Many residents indicated a dislike towards user fee examples (such as a flat fee) that did not incentivize waste reduction;
- Many residents agree with the concept of “Pay for what you generate”. Residents indicated that paying for what each person generates through a variable user fee tied to the amount of garbage produced is a fair way to charge for waste and incentivize waste reduction;
- Some residents commented that a completely variable fee could increase illegal dumping if the price difference for an added bag or a larger cart was too high and that a balanced approach that incorporated a flat base fee (possible tax base) and a smaller variable fee would help to mitigate any illegal dumping;
- A number of residents shared the perspective that increased revenue generation for new waste management initiatives should not come at an additional cost to residents and that any user pay charges should be accompanied by an offsetting reduction in property taxes; and,
- Many residents indicated that they are in favour of the current cart collection system and that any user pay model should incorporate the use of carts.

The feedback from the public aligned with the project objectives and will be used as part of the next phases of the project.

Waste Management Financial Plan Update – Results of First Round of Public Consultation and Recommended Next Steps

iii. Potential Funding Approaches

The selection of a funding approach requires two key decisions:

- The allocation of costs between taxes, flat user fees and variable user fees; and
- The structure and method of charging the flat or variable user fee.

Preliminary findings show that a funding model that combines taxes and user fees meets the Region's objectives, is consistent with the principles set out in the Region's Long-Term Financial Planning Strategy and is consistent with feedback provided by residents during the first round of public consultation.

Staff will assess the following potential funding approaches against the evaluation criteria set out in this report.

- Funding existing waste management costs through taxes and funding initiatives identified in the Roadmap with a variable user fee;
- Funding fixed costs and initiatives that support the greater good (such as recycling and composting) through taxes and funding the variable cost of collecting, processing and disposing of garbage with a variable user fee;
- Leaving the full cost of waste management on the tax base (status quo) or moving it fully to a user pay system will also be assessed;
- Other reasonable approaches that are identified during the analysis phase may also be evaluated.

Peel strives to provide all customers with a consistent level of service. Some locations, however, do require add-on or premium service due to their circumstances. Examples include older multi-residential buildings and new large multi-residential buildings with limited storage space that require more frequent collection and in-fill developments that may prefer collection with smaller trucks to optimize the space available for dwelling units. While not part of the current property tax-based approach, the premium cost of each of these services could be charged directly to the user as part of a new financial model.

A user pay model that makes use of Peel's current waste collection carts and bins is a reasonable way to maximize the use of current cart infrastructure and is consistent with resident feedback during the first round of consultation. As part of the various models being considered, staff will develop approaches for setting user fees for each size of garbage cart for curbside customers and for the various types and sizes of carts and bins used by multi-residential customers. A bag fee will also be developed for those customers still on bag-based collection and for those customers who set out the occasional extra bag of garbage.

iv. Recommended Evaluation Criteria to Assess Funding Model Approaches

To complement the resident feedback, a comprehensive user fee assessment is being conducted in order to propose a funding model that meets Peel's needs.

Waste Management Financial Plan Update – Results of First Round of Public Consultation and Recommended Next Steps

The assessment involves assessing the various funding models against four main evaluation criteria. The recommended evaluation criteria align with the financial principles set out in the Region's Long-Term Financial Planning Strategy.

Staff recommends that the following criteria be endorsed to assess potential new funding approaches.

- **Financial Sustainability** – the funding model must provide a stable revenue source that mitigates risks associated with the volatility or uncertainty of external revenues such as commodity revenues, stewardship funding and tipping fees, and also mitigates against the risks associated with high variable user fees.
- **Incentivize Waste Reduction and Diversion** – the funding model should incentivize waste reduction and diversion and give residents more control over their waste management costs.
- **Administrative Impact** – the funding model should have minimal impacts on administrative burden and costs during the development, implementation and ongoing administration of the funding model.
- **Respect the Taxpayer** – the funding model should mitigate tax increases and consider public feedback on user fees.

v. Second Round of Public Consultation Workshops

The second round of public consultation workshops will be designed to:

- Report the results of the first round of consultations; and,
- Seek public feedback on:
 - The allocation of costs between taxes and user fees, including feedback on the various options;
 - The structure and method of charging flat and variable user fee and the possible use of variable fees for add-on and premium services.

The consultations will also provide a forum for stakeholders to express any remaining tensions and concerns. This feedback from the public will be taken into consideration when developing the final recommendations for the Financial Plan and possible volume-based user pay funding model.

Given the current uncertainty with COVID-19 and the socio-economic stresses that residents may be encountering at this time, staff recommend holding the second-round consultation workshops in 2021 so that learnings from other virtual consultation exercises (such as the Regional Official Plan Amendments 2041 consultations) can be incorporated. In line with current practices for public consultations staff are prepared to hold these workshops exclusively online.

Waste Management Financial Plan Update – Results of First Round of Public Consultation and Recommended Next Steps

RISK CONSIDERATIONS

There are risks associated with engaging the public regarding the waste management Financial Plan and potential volume-based user-pay funding models, including:

- Public health risks related to COVID-19 involving face-to-face engagement and mass gatherings with residents; and,
- Sentiment and concerns of residents regarding many competing priorities (safety, job security/loss, financial hardship/recovery, personal/family challenges, mental health) will impact residents' opinions, willingness and openness to engage.

Postponing the second-round consultation workshops until 2021 and incorporating learnings from other virtual consultation efforts (e.g. Regional Official Plan Amendments 2041) mitigates these risks. It also allows staff to further develop the financial options within the Financial Plan and identify feasible options for safe and effective public consultations.

FINANCIAL IMPLICATIONS

Sufficient funding for public consultations is available in current approved budgets.

CONCLUSION

Staff will report back to Council in late 2021 with a recommended Financial Plan that identifies a funding structure that meets the Region's objectives of providing stable funding and incentivizing diversion; is consistent with the principles set out in the Region's Long-Term Financial Planning Strategy; and appropriately reflects public feedback.

APPENDICES

Appendix I - Environmental Scan Results

For further information regarding this report, please contact Norman Lee, Director Waste Management, Ext. 4703, norman.lee@peelregion.ca.

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director and Financial Support Unit.

Final approval is by the Chief Administrative Officer.



N. Polsinelli, Interim Chief Administrative Officer

Appendix I
Waste Management Financial Plan Update – Results of First Round of Public Consultation and
Recommended Next Steps

Environmental Scan Results – Uniform/Flat Fee Model

Jurisdiction	User fee system description
City of Calgary	Curbside automated cart collection where the resident pays a flat monthly rate for waste collection through their utility bill. No set out limits.
City of Edmonton	Residents pay a flat monthly rate for curbside waste collection through their utility bill. No set out limits.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▶ Minimal effort (time/cost) required for roll-out program ▶ Minimal effort (time / cost) for administering the system ▶ Minimal effort (time / cost) for marketing the program as it is simple to understand ▶ Revenue stability from the program makes it easier to predict future funding which can reduce the risk of funding shortfalls ▶ This system gets residents used to the idea of paying for waste management services as a separate line item outside of general taxation ▶ It presents an opportunity to pivot into other user fee systems by establishing a baseline whereby residents are acclimatised to paying for waste management services as a separate service outside of general taxation 	<ul style="list-style-type: none"> ▶ Does not provide a waste reduction incentive as residents are charged the same amount regardless of the volume of garbage generated ▶ Does not promote participation in recycling and other programs as residents have no incentive to divert waste ▶ Possibility of residents who generate a small amount of waste feeling as though they subsidize residents who produce large volumes of waste (inequity)

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Environmental Scan Results – Bag Fee Model

Jurisdiction	User fee system description
City of Binghamton	Residents are required to purchase officially designated bags that have been authorized by the city.
City of St. Cloud	Residents are required to purchase and use specially marked bags for garbage and yard waste collection. Recycling collection is billed separately as part of the resident’s bi-monthly utility bill.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▶ Minimal upfront investment compared to more capital-intensive systems such as carts ▶ Minimal effort (time/cost) required for roll-out each year ▶ No municipal billing system required and smaller overall administrative burden ▶ Users pay only for garbage they produce, incentivising waste reduction and diversion ▶ Bag system can have tiered payment systems (i.e. a set number of bags provided as part of tax bill, with additional bags coming at an additional cost. This provides a degree of funding certainty to cover fixed costs whilst providing opportunity for additional revenue to match increased generation of waste) ▶ Unit pricing systems may promote awareness of the hidden costs (economic and environmental) of waste management and may lead to increased environmental awareness 	<ul style="list-style-type: none"> ▶ Residents using carts may object to having to switch to bags due to the added effort of purchasing and storing them ▶ Extra time may be required by collectors to enforce bag compliance ▶ Bags are expensive to produce, and cannot be reused as opposed to fixed asset solutions like carts ▶ Considerable effort (time/cost) required for education and marketing the program ▶ Residents may view requirement to buy and store bags as an inconvenience ▶ Require retail option for residents to buy bags ▶ Potential for misuse (i.e. residents putting garbage into recycling to meet set out limit) ▶ Potential for counterfeit bags on the black market requires implementing costly security features ▶ Charging a fee for quantity of garbage increases the potential for illegal dumping, requiring increased enforcement

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Environmental Scan Results – Sticker Fee Model

Jurisdiction	User fee system description
Oxford County	Residents purchase garbage stickers independently on an as-needed basis. The County’s tax levy does not include any waste fees.
Northumberland County	Residents purchase garbage stickers independently on an as-needed basis, in addition to an annual waste fee on the municipal taxes.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▶ Minimal upfront investment compared to more capital-intensive systems such as carts ▶ Minimal effort (time/cost) required for roll-out each year due to simplicity of printing stickers ▶ No municipal billing system required and smaller overall administrative burden ▶ Users pay only for garbage they produce, incentivising waste reduction and diversion ▶ Sticker system can have tiered payment systems (i.e. a set number of stickers provided as part of tax bill, with additional stickers coming at an additional cost. This provides a degree of funding certainty to cover fixed costs whilst providing opportunity for additional revenue to match increased production of waste) ▶ Unit pricing systems may promote awareness of the hidden costs (economic and environmental) of waste management and may lead to increased environmental awareness 	<ul style="list-style-type: none"> ▶ Residents using carts may object to having to switch to stickers due to the added effort of purchasing and storing them ▶ Extra time may be required by collectors to enforce sticker compliance ▶ Residents might view a requirement to buy and store stickers as an inconvenience ▶ Considerable effort (time/cost) required for education and marketing the program ▶ Bag tags susceptible to weather and vandalism ▶ Require retail option for residents to buy bags ▶ Potential for misuse (i.e. residents putting garbage into recycling to meet set out limit) ▶ Potential for counterfeit stickers on the black market requires implementing costly security features ▶ Charging a fee for quantity of garbage increases the potential for illegal dumping, requiring increased enforcement

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Environmental Scan Results – Container Fee Model

Jurisdiction	User fee system description
City of Toronto	Residents pay an annual fee collected through the municipal utility bill, based on the size of garbage cart they use.
City of Surrey	Residents pay an annual fee collected through property taxes, based on the size and number of garbage carts they use.
City of Burnaby	Residents pay an annual fee collected through their utility bill, based on the size of garbage cart they use.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▶ Users pay only for garbage they produce, incentivising waste reduction and diversion ▶ Unit pricing systems may promote awareness of the hidden costs (economic and environmental) of waste management and may lead to increased environmental awareness 	<ul style="list-style-type: none"> ▶ Considerable effort (time/cost) required for roll-out/distribution of new/replacement garbage bins ▶ Containers must be maintained and renewed periodically which comes at a cost to the municipality ▶ Considerable effort (time/cost) required for billing ▶ Considerable effort (time/cost) required for education and marketing the program ▶ Potential for misuse (i.e. residents paying for small cart and placing overflow in recycling) ▶ Charging a fee for quantity of waste increases the potential for illegal dumping, requiring increased enforcement ▶ Potential for residents to feel they should fill their garbage bin (and therefore reduce/recycling less) because they pay a yearly fee for it

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Environmental Scan Results – Franchise Fee Model

Jurisdiction	User fee system description
City of Portland	Twelve franchised garbage companies provide service to residential customers. Residents select a service provider and signs up for a specified term for collection service based on garbage container size. Residents can increase or decrease the size of their garbage container to fit the needs of the household. Garbage bills are issued, every two months, to residents directly from the company that services the property. Service providers then remunerate the County for the right to provide the service.
Los Angeles County	Residential waste collection services are provided through an open-market system, whereby each resident contacts a service provider directly and signs up for collection services for a specified term. There is no County involvement. Service providers then remunerate the County for the right to provide the service.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▶ Franchise system generally tend to follow subscription models with specified service periods which make revenues stable and easy to forecast. This can reduce the risk of future funding shortfalls ▶ Franchise fee model can be easy to understand for residents which can drive greater uptake and a smoother transition ▶ Municipalities can amend services provided by franchises to include bags or sticks for additional units of trash 	<ul style="list-style-type: none"> ▶ Difficulties with overseeing the operation of franchised garbage companies ▶ Franchise fee models often have higher implementation costs, including the purchase and distribution of containers (if used) ▶ The franchise fee, while offering different price points, can have limited incentive to reduce waste as fees generally follow a flat-fee structure ▶ Managing complaints from customers regarding service through external franchised companies ▶ External changes may impact costs for collection of garbage by franchise companies ▶ Potential for misuse (i.e. residents putting garbage into recycling to meet set out limit) ▶ Charging a fee for quantity of waste increases the potential for illegal dumping, requiring increased enforcement

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Environmental Scan Results – Weight-based Fee Model

Jurisdiction	User fee system description
The State of Vermont	Residents are charged for the volume or weight of garbage disposed.
Aschaffenburg, Germany	Residential containers are equipped with a RFID chip and collection trucks are equipped with a reading device and a weighing device. A central facility collects data transferred via telemetry where processing, accounting and the billing of end users occurs.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▶ Greatest incentive for residents to reduce waste as they can see a clear cost reduction with even a small reduction in waste ▶ Compatible with automated and semi-automated collection vehicles (when outfitted with appropriate equipment) ▶ Simple for residents to understand and limited education would be required ▶ Fair to users as high-volume generating residents are required to pay more than low-volume generating residents 	<ul style="list-style-type: none"> ▶ Equipment needed to accurately weigh waste and bill residents may be complicated and more expensive ▶ Equipment will also need to account for environmental factors such as rain, snow and ice, which may make waste containers heavier than then actual ▶ Mobile onboard vehicle scales are not currently certified as legal for trade in Canada ▶ Billing administration may be complex ▶ Potential for misuse (i.e. residents putting garbage into recycling to meet set out limit) ▶ Charging a fee for a quantity of waste increases the potential for illegal dumping, requiring increased enforcement

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Environmental Scan Results – Hybrid Fee Model

Jurisdiction	User fee system description
City of Winnipeg	Residents pay an annual fee collected through their utility bill for weekly cart collection with additional fees for extra garbage bags.
Simcoe County	Residents pay for weekly, bag/container (limit of one) waste collection through their municipal taxes. Additional bags require tags which can be purchased for an extra fee.
Region of Waterloo	Residents pay for bi-weekly waste collection through municipal taxes. Set bag limits with excess bags requiring an extra fee.
City of London	Residents pay for weekly waste collection through municipal taxes. Set bag limits with excess bags requiring an extra fee.
Region of Peel	Residents pay for weekly waste collection through municipal taxes. Set cart/bag limits with excess bags requiring an extra fee.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▶ A hybrid system offers the opportunity to upgrade / improve the system using different methods relatively easily, as more than one model can be used ▶ Fair as high-volume generating residents would be required to pay more than low-volume generating residents ▶ Increases incentive to divert waste as residents may be penalized for waste contamination or offered savings for utilizing organic and blue box waste systems ▶ Program is relatively easy to administer once billing system is established ▶ Base fee provides stable base funding ▶ Unit pricing systems may promote awareness of the hidden costs (economic and environmental) of waste management and may lead to increased environmental awareness 	<ul style="list-style-type: none"> ▶ Charging a fee for quantity of waste increases the potential for illegal dumping, requiring increased enforcement ▶ Potential for misuse (i.e. residents putting garbage into recycling to meet set out limit) ▶ Offering many cart sizes can assist in overcoming the weakness of providing little incentive to reduce waste unless it can be reduced enough to move to a smaller cart size ▶ Can be complicated to understand if not well designed ▶ Limited incentive to reduce garbage

Waste Management Report Presentation

5.1 – Waste Management Financial Plan Update – Result of First Round of Public Consultation and Recommended Next Steps

5.2 – Update and Proposed Direction on the Transition of the Region of Peel’s Waste Diversion Programs to Full Producer Responsibility

5.3 - Proposed 2021 Waste Management Service Changes

Waste Management Strategic Advisory Committee
October 29, 2020

Norman Lee, Director, Waste Management

Waste Management Financial Plan Update – Result of First Round of Public Consultation and Recommended Next Steps

Waste Management Financial Plan Objectives

- Stable long-term funding
- Incentivize waste reduction and diversion
- Align with Long Term Financial Planning Strategy
- Consider Public Consultation Feedback

First Round Public Consultation Feedback

- The first round of public consultation workshops has been completed
- The major feedback themes important to residents are:
 - Incentivizing waste reduction is important
 - “Pay for what you generate” is seen as fair
 - A high variable fee could lead to illegal dumping; a flat base amount, and a smaller variable fee would help to mitigate any illegal dumping
 - Increased revenue generation for new waste management initiatives should not come at a cost to residents; any user-pay charges should be accompanied by an offsetting reduction in property taxes
 - Any user-pay model should incorporate the use of carts

Preliminary Findings

Preliminary findings show that a hybrid funding model that incorporates the following meets the set objectives of the project.

- A funding model that combines taxes and user fees
- A funding model that uses a combination of a flat base amount and variable fees
- A funding model that makes use of Peel's current waste collection carts and bins

Recommended Evaluation Criteria

Staff recommends that the following criteria to assess potential volume-based user-fees be endorsed:

- Financial Sustainability
- Incentivize Waste Reduction and Diversion
- Administrative Impact
- Respect the taxpayer

Recommendations for the Second Round Public Consultations

The second round of public consultation workshops will be designed to:

- Report the results of the first round of consultations
- Seek public feedback on:
 - The allocation of costs between taxes, flat user fees and variable user fees
 - The structure of the variable user fee and the possible use of variable fees for add-on and premium services

Given the current uncertainty with COVID-19 and the social-economic stresses that residents may be encountering, staff recommends postponing these consultation workshops until 2021

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

Waste Diversion Programs Transition Timelines

EPR Program	Status	Existing/ Previous Program End Date	New Program Start Date
Tires	Transitioned	Dec. 31, 2018	Jan. 1, 2019
Batteries	Transitioned	June 30, 2020	July 1, 2020
Electrical & Electronic Equipment	Final regulation released September 22, 2020	Dec. 31, 2020 - Information technology, telecom and audio-visual materials	Jan. 1, 2021
		December 31, 2022 - Lighting materials	Jan. 1, 2023
Municipal Hazardous & Special Waste	Draft regulation scheduled for release Fall 2020. Final regulation expected in early 2021	June 30, 2021	July 1, 2021
Blue Box	Draft regulation expected in Fall 2020. Final regulation expected in early 2021	Dec. 31, 2022 followed by three-year transition period	-Jan. 1, 2023 – Dec. 31, 2025 -Peel's preferred transition date is Oct. 1, 2024

Tires



- In 2019, 421 tonnes were collected
- Region not compensated by producers
- Over 500 approved drop off points in the Region
- Staff recommends stopping the collection of tires at CRCs effective January 1, 2021
- Opportunity to reallocate bin capacity to other materials and realize incremental cost savings

Batteries

- In 2019, 61,000 kg of batteries were collected
- Single operating PRO since transition - Call2Recycle
- Short-term tentative agreements are in place for compensation of batteries collected at CRCs, Conservation Day and curbside program
- Batteries collected at municipal and multi-residential buildings collected for free by Call2Recycle
- Staff recommends that battery collection continues

Electrical & Electronic Equipment (EEE)

- In 2019, 1,069 tonnes of EEE were collected
- Release of the final EEE regulation was delayed
- Two material categories designated:
 - Information technology, telecommunications and audio-visual equipment
 - Lighting, including lighting equipment, fixtures and bulbs
- Staff must review the final regulation, understand producers funding and operational plans, arrange for a service provider to accept the EEE collected and enter into funding agreements with PROs, most of whom are currently unknown
- Staff recommends that EEE collection continues

Municipal Hazardous & Special Waste (MHSW)

- In 2019, 1.6 million kg of MHSW were collected
- Draft regulation currently in development which staff provided input on
- Delays are anticipated in the release of the final regulation
- Toxic nature of MHSW and popularity of program make continued management of this stream a necessity
- Staff recommends that MHSW collection continues

Blue Box

- Updated blue box transition timelines:

Activity	Anticipated Timeline
Posting of draft regulation	Mid-October 2020
Filing of final producer responsibility regulation	Early 2021
Municipalities, producers and other stakeholders prepare for the eventual transition of operational and financial control of the Blue Box Program to producers in accordance with regulatory requirements	January 2021 to December 2022
Municipalities gradually transition operational and financial control of Blue Box Program to producers with one third of municipalities transitioning each year	-January 2023 to December 2025 -Peel's preferred transition date is Oct. 1, 2024

- A more detailed report on the Blue Box transition will be provided once the draft regulation is posted

Next Steps

- Review the final EEE regulation and work with producers and service providers to continue the collection of EEE
- Review the MHSW draft regulation once it is posted this fall and submit comments to the Ministry on the Region's behalf
- Review the final MHSW regulation and work with producers and service providers to continue the collection of MHSW
- Review the Blue Box draft regulation once it is posted this fall and submit comments to the Ministry on the Region's behalf
- Prepare communications plans for proposed/anticipated program changes, using standard communication channels

Recommendations

- The Region continues to offer collection services to producers post-transition for batteries, EEE, MHSW and Blue Box, subject to negotiation of mutually agreeable terms
- The Region stop collecting Tires effective January 1, 2021
- The Commissioner be authorized to enter into and execute agreements for the operation or funding of the Region's EEE and MHSW programs

Proposed 2021 Waste Management Service Changes

Reduction of Extended Hours

- CRCs have the capacity of 75 customers/hr normally and 65 customers/hr when COVID-19 measures are in place
- Extended evening hours from May to October reduce traffic on weekends
- Even with extended hours some CRCs are at capacity:
 - Battleford CRC is above capacity on weekends from June to August
 - Brampton CRC is above capacity on weekends in June
 - Remaining CRCs are below capacity
- Staff explored the opportunity to reduce extended hours

Proposed Service Changes

- Staff recommends adjusting extended hours as described below to reflect demand.
- Change will result in annual budget savings of approximately \$67,000

Site	Current Extended Hours (May to October)	Proposed Extended Hours Summer Months (May-August)	Proposed Extended Hours Fall Months (Sep and Oct)
Battleford CRC	4 days a week	4 days a week	2 days a week
Fewster CRC	1 day a week	0 day per week	0 day per week
Brampton CRC	4 days a week	3 days a week	1 day per week
Heart Lake CRC	1 day a week	1 day per week	1 day per week

Cashless Transactions

- Cash transactions are currently suspended to reduce touch points and the risk of community transmission of COVID-19
- CRC wait times are reduced by decreasing transaction times
- Eliminates inherent risk of theft and fraud associated with handling cash
- No resident complaints; few business complaints
- Staff recommends that CRCs continue debit and credit only transactions for 2021

Online Bag Tag Sales

- After in-person bag tag sales locations were closed in March due to COVID-19, residents shifted to online purchases
- Staff recommends that that residents be encouraged to purchase tags online, post COVID-19
- Staff recommends that the Region stop selling bag tags at CRC weigh scales, which will reduce CRC wait times. Bag tags will continue to be sold at CRC reuse drop-off areas and other in-person sales locations.
- Staff will monitor bag tag sales over the coming year to assess the appropriateness of permanent shift to online only sales

Communications Plan

- The Region will prepare a communications plan to notify residents of the approved service changes, using standard communication channels

Thank you

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REPORT TITLE: Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

FROM: Andrew Farr, Interim Commissioner of Public Works

RECOMMENDATION

That the Region of Peel continue to offer collection services to producers for collection of Batteries, Electrical and Electronic Equipment, Municipal Hazardous and Special Waste, and Blue Box materials post transition, subject to negotiation of mutually agreeable terms;

And further, that the Region of Peel stop collecting tires at its Community Recycling Centres effective January 1, 2021;

And further, that the Commissioner of Public Works be authorized to enter into and execute new agreements or amending agreements and related forms and documents, including on a directly negotiated basis, related to the transition, operation or funding of the Region's Electrical and Electronic Equipment diversion program and the Region's Municipal Hazardous and Special Waste diversion program, on business terms satisfactory to the Commissioner of Public Works and on legal terms satisfactory to the Regional Solicitor.

REPORT HIGHLIGHTS

- The province has committed to transition five existing producer responsibility programs - Tires, Batteries, Electrical and Electronic Equipment, Municipal Special and Hazardous Waste, and Blue Box.
- The Tires program transitioned to full producer responsibility on January 1, 2019. Tires continue to be collected at the Community Recycling Centres (CRCs) but the Region is not compensated by producers. Since there are numerous alternatives drop off points available within Peel, staff is recommending that the Region stop collecting Tires at its CRCs effective January 1, 2021.
- The Batteries program transitioned on July 1, 2020. The Region is compensated for battery collection and batteries continue to be collected by the Region at various drop off locations and through the curbside collection program.
- After several delays, the final regulation for the Electrical and Electronic Equipment program was released on September 22, 2020. The new Electrical and Electronic Equipment program is scheduled to start January 1, 2021, which provides very little time to analyze the regulation, which contains significant changes from the draft regulation, and negotiate an agreement with producers to collect Electrical and Electronic Equipment on their behalf.
- A draft regulation for the Municipal Hazardous and Special Waste (MHSW) program is currently under development and is expected to be released for comment this fall. The final regulation is expected in early 2021. The new MHSW program is scheduled to start July 1, 2021, which provides very little time for planning and implementation.

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

- A draft regulation for the Blue Box program is expected to be released for comment this fall. The final regulation is expected in early 2021.
 - Given the short time period between the release of the final Electrical and Electronic Equipment and MHSW regulations and the commencement of those programs, it is anticipated that new agreements and ancillary documents for these programs will require expedited execution. Staff is therefore requesting delegated authority to enter into any necessary agreements.
-

DISCUSSION

1. Full Producer Responsibility and Diversion Programs Overview

This report provides an update on Provincial initiatives to transition five Ontario waste diversion programs to the new full producer responsibility framework as provided for in the *Waste Free Ontario Act, 2016*. The report also recommends the proposed direction for the five diversion programs at the Region of Peel.

The full producer responsibility framework is intended to move the financial, operational and regulatory responsibility of the five waste diversion programs from municipalities to producers. The waste diversion programs are:

- Tires
- Batteries
- Electrical and Electronic Equipment
- Municipal Hazardous and Special Waste
- Blue Box

Full producer responsibility is intended to make producers accountable for their products and packaging once consumers are finished with them; set mandatory and enforceable resource recovery targets; and give producers control of resource recovery services in a competitive market. Once a program transitions to full producer responsibility, producers may establish their own collection systems, but in most cases, producers will establish collective systems to be managed by Producer Responsibility Organizations (PROs). The PROs take charge in meeting the legislative and regulatory requirements of producers on their behalf. This responsibility includes procuring services and contracting directly with service providers and/or municipalities to provide collection services.

As a result of limited alternative collection options available to residents and the environmental benefit that it provides, the Region, post transition, will seek to continue to provide collection services for many of the materials captured under the five diversion programs (e.g. batteries, electrical and electronic equipment, and municipal hazardous and special waste, and possibly blue box as endorsed by Regional Council on June 25, 2020). The transition timelines of the five programs are outlined below in Table 1.

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

Table 1: Waste Diversion Programs Transition Timelines

EPR Program	Status	Existing/ Previous Program End Date	New Program Start Date
Tires	Transitioned	December 31, 2018	January 1, 2019
Batteries	Transitioned	June 30, 2020	July 1, 2020
Electrical & Electronic Equipment	Final regulation released September 22, 2020	December 31, 2020 - Information technology, telecommunications and audio-visual materials	January 1, 2021
		December 31, 2022 – Lighting materials	January 1, 2023
Municipal Hazardous & Special Waste	Draft regulation scheduled for release Fall 2020. Final regulation expected in early 2021	June 30, 2021	July 1, 2021
Blue Box	Draft regulation expected in fall 2020. Final regulation expected in early 2021	December 31, 2022 followed by three-year transition period	January 1, 2023 – December 31, 2025. Peel preferred transition date is October 1, 2024.

2. Program Updates

An update on the transition of each of the five diversion programs is provided below. The proposed direction for the five diversion programs is provided in Section 3.

Tires

On January 1, 2019, Tires was the first program to transition to a full producer responsibility framework. The tire regulation sets out collection and recycling targets that producers must meet. While producers are required to meet the collection targets, they are not compelled to compensate the Region (or any other collector) for the tires collected. Since producers are able to collect tires at over 500 approved collection sites in Peel, they are not reliant on our tires to meet their targets and are not offering to pay Peel for collection. In 2019, the Region collected 421 tonnes of tires at the Community Recycling Centres (CRCs) but did not receive any revenue from tire producers as part of the new program.

Batteries

As of July 1, 2020, battery producers are individually accountable and financially responsible for collecting and reusing, refurbishing or recycling their batteries when consumers discard them. The Batteries Regulation applies to the following types of batteries sold separately in Ontario:

- Single-use (primary) batteries weighing 5 kg or less (e.g. button cells, AA, AAA, 9V)
- Rechargeable batteries weighing 5 kg or less

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

The Region has a tentative agreement with Call2Recycle, the sole producer responsibility organization operating on behalf of the majority of obligated battery producers, who compensates the Region for batteries collected at the CRCs and Conservation Days.

Once executed, the one-year agreement, with possible extensions, will see Call2Recycle pay the Region the following amounts, effective July 1, 2020, which cover Peel's incremental cost to collect the batteries:

- \$0.55 per kilogram for batteries collected at CRCs; and
- \$1,200 per tonne for batteries collected at Conservation Day events.

The Region also has a provisional arrangement with Raw Material Corporation, a processor operating on behalf of Call2Recycle, to be compensated for batteries collected through the curbside collection program. Raw Material Corporation will pay the Region the following amount, which does not cover Peel's full cost to collect the batteries:

- \$0.33 per kilogram for batteries collected through the curbside collection program.

In 2019, the Region collected 55,000 kg of batteries through the CRCs, curbside collection, and Environment Days. An additional 6,000 kg of batteries were also collected through industry run collection programs at municipal offices and multi-residential buildings.

For 2021, staff projects a net cost of \$71,000 to operate the curbside battery collection program but recommends continuing the program due to the importance of properly managing batteries, which can cause significant environmental harm if left in the waste stream.

The batteries generated at municipal offices and multi-residential buildings will continue to be collected at no cost to the Region by Call2Recycle, and accordingly, the Region will not receive payment for the batteries collected from these locations.

Electrical and Electronic Equipment

After several delays, the Ministry of the Environment, Conservation and Parks (Ministry) released the new regulation for Electrical and Electronic Equipment on September 22, 2020. Producers have until November 30, 2020 to register and the new Electrical and Electronic Equipment program starts on January 1, 2021.

Staff provided input to the Ministry directly and in cooperation with the Association of Municipalities Ontario and the Ontario Waste Management Association on the draft regulation. The final regulation sets out two defined material categories:

1. Information technology, telecommunications and audio-visual equipment
2. Lighting, including lighting equipment, fixtures and bulbs

A preliminary review of the final regulation has revealed notable differences between the final wording to what was proposed under the draft regulation. For example, the list of

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

designated items and performance targets have been reduced significantly in favour of producers.

In the time period between the posting of the final Electrical and Electronic Equipment regulation (September 22, 2020) and the transition date of January 1, 2021, producers must organize themselves and ensure systems are put in place to collect and process sufficient Electrical and Electronic Equipment to meet the prescribed targets. They will most likely do this by entering into agreements with Producer Responsibility Organizations (PROs). The PROs, in turn, will need to procure collection and processing services, most likely through direct negotiations given the tight timeframes. Collectors (including Peel, if we become a collector) and processors will need to be operational by January 1, 2021 to meet the prescribed targets. Staff must review the final regulation, understand producers funding and operational plans, arrange for a service provider to accept the Electrical and Electronic Equipment collected at our CRCs and enter into funding agreements with producer responsibility organizations, most of whom are currently unknown.

The Region currently accepts electrical and electronic equipment for recycling at the CRCs year-round. In 2019, the Region collected 1,069 tonnes of electrical and electronic equipment.

For 2021, staff projects a net cost of \$115,000 to operate the Electrical and Electronic Equipment program (refer to Table 3 in the Financial Implications section below for additional budgetary information).

Municipal Hazardous and Special Waste

The Region currently accepts Municipal Hazardous and Special Waste (MHSW) at its Community Recycling Centres (CRCs) year-round. The Region is one of the largest collectors of MHSW in the province (1.6 million kg per year) and plays an important role as the final backstop to ensure many hazardous or problematic products do not end up in sewers, landfills or the environment.

The Region currently collects MHSW that is obligated under the current program and is therefore funded by producers. Peel also collects MHSW that is not obligated under the current program and therefore not funded. Peel began its MHSW program long before the first producer responsibility programs were introduced and continues to collect many types of MHSW that are not covered by producer responsibility programs due to the importance of properly managing MHSW, which can cause significant environmental harm if left in the waste stream. Appendix I provides a list of MHSW materials collected at Peel's CRCs.

The expectation is that once the new program is implemented, additional categories of MHSW will be obligated and funded by producers, meaning the Region will generate additional revenues once the program is transitioned (but still not likely achieve full cost recovery).

The Ministry is still in the process of developing the draft regulation for MHSW and has indicated that it will post a draft regulation this fall and expects to file the final regulation in early 2021. The new regulation is expected to come into effect July 1, 2021. The current program will continue to operate until that time without disruption.

Update and Proposed Direction on the Transition of the Region of Peel’s Waste Diversion Programs to Full Producer Responsibility

Staff will review and provide comments on the draft regulation when released. As a result of the timing of the consultation period, Council approval of staff comments may not be possible prior to submission. In this case, staff comments will be presented to Council at the earliest opportunity and any additional comments made by Council will be submitted.

It is also anticipated, based on delays experienced in release of the final regulations for both the Batteries and the Electrical and Electronic Equipment programs, that a similar delay may be experienced in the release of the final regulation for the MHSW program. This would leave staff with a short time period to review the final regulation, understand producers funding and operational plans, arrange for a service provider to accept the MHSW collected at our CRCs and enter into funding agreements with producer responsibility organizations, most of whom are currently unknown.

For 2021, staff projects a net cost of \$1.5 Million to operate the Municipal Hazardous and Special Waste program (refer to table 3 in the Financial Implications section below for additional budgetary information).

Blue Box

As previously reported to the Waste Management Strategic Advisory Committee (WMSAC), the Province has been consulting with key stakeholders, including Peel Region, during the development of the draft Blue Box regulation. Ministry staff have indicated that they expect to post a draft regulation in mid-October. Key timelines are outlined in Table 2.

Table 2: Blue Box Regulation Development & Implementation Timelines

Activity	Anticipated Timeline
Posting of a draft regulation	October 2020
Filing of final producer responsibility regulation	Early 2021
Municipalities, producers and other stakeholders prepare for the eventual transition of operational and financial control of the Blue Box Program to producers in accordance with regulatory requirements	January 2021 to December 2022
Municipalities gradually transition operational and financial control of Blue Box Program to producers with one third of municipalities transitioning each year	January 2023 to December 2025 Peel’s preferred transition date is October 1, 2024

Over the next four years until Peel’s transition date, the transition of the Blue Box Program will require considerable attention. To guide the Region through the transition, staff will formalize a Blue Box transition team consisting of existing staff supported by a new Advisor position on a four-year contract (from January 2021 to December 2024) funded from existing approved capital budget.

As indicated at the June 18, 2020 WMSAC meeting, staff issued a Request for Expressions of Interest on the lease of the Material Recovery Facility and sale/lease of equipment.

A more detailed report on the Blue Box transition will be provided once the draft regulation is posted.

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

3. Proposed Direction

The proposed direction for the Region's five diversion programs are provided below.

Tires

Staff recommends that the Region stop collecting tires at its CRCs effective January 1, 2021. With over 500 approved drop off locations in the Region, residents are not reliant on Peel for collection. Accordingly, ceasing the collection of tires at the CRCs presents an opportunity to reallocate bin capacity to other materials and realize small incremental operating cost savings.

Batteries

Staff recommends that the Region continue to collect batteries. The tentative agreement with Call2Recycle, which is for a one-year term with options to extend, will see the Region continue to receive funding for collected batteries. The agreement will also allow the Region to evaluate alternative arrangements as the program and battery market matures in the opening year.

Electrical and Electronic Equipment

The short lifespans and designed obsolescence of the original products, combined with the toxic components of electrical and electronic equipment, make continued management of this stream a necessity in order to prevent environmental harm. Since electrical and electronic equipment is a rapidly growing waste stream and a popular recycling program with residents, the Region will look to continue to collect this material type post transition.

In order to ensure uninterrupted service, staff recommends that staff be delegated authority to enter into any new agreements or amending agreements, including on a directly negotiated basis, related to the operation or funding of the Region's electrical and electronic equipment diversion program.

Municipal Hazardous and Special Waste

The toxic nature of MHSW make continued management of this stream a necessity in order to prevent environmental harm. Since MHSW is a popular recycling program with residents, the Region will look to continue to collect this material type post transition.

In anticipation of a compressed timeline between the filing of the final regulation and the expected start date of the new program, and in order to ensure uninterrupted service, staff recommends that staff be delegated authority to enter into any new agreements or amending agreements, including on a directly negotiated basis, for the operation or funding of the Region's MHSW program.

Blue Box

Staff will continue to report separately on the transition of Blue Box program with the next report expected after the draft regulation is posted.

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

4. Next Steps

Staff will review the final Electrical and Electronic Equipment regulation and work with producers and service providers to continue the collection of electrical and electronic equipment and ensure a seamless transition for Peel residents when the program begins on January 1, 2021.

Staff will review the Municipal Hazardous and Special Waste and Blue Box draft regulations once they are posted this fall and submit comments to the Ministry on the Region's behalf. If time permits, staff will seek WMSAC and Regional Council endorsement of Peel's comments prior to submission. If time does not permit, staff will submit comments by the deadline and present these comments to WMSAC and Regional Council at the earliest opportunity.

Staff will remain highly engaged in all transition files and will continue to report separately on the Blue Box program file. This includes, as indicated at the June 18, 2020 Waste Management Strategic Advisory Committee meeting, reporting on the results of the Request for Expressions of Interest on the lease of the Material Recovery Facility and sale/lease of equipment, which is currently underway.

To support the Blue Box program transition project, staff will include a four-year contract Advisor position funded from existing approved capital budget in the 2021 budget submission.

The Region will continue to notify residents of any changes to waste diversion programs, including information on alternative drop off points for tires, using standard communications channels.

RISK CONSIDERATIONS

The Region welcomes the continued transition of the remaining diversion programs (Electrical and Electronic Equipment, Municipal Hazardous and Special Waste, Blue Box) to full producer responsibility. It is, however, important to note that the transition may pose the following risks:

- The transition of the remaining programs to full producer responsibility may or may not roll-out according to the timelines proposed by the Ministry. A delay in the release of final regulations and transition timelines may require continued investment in the programs by Peel until they are fully transitioned to maintain current service levels. To mitigate this risk, staff are also working closely with the Ministry to keep the transition on track and to be aware of any delays early on.
- The expectation that the new diversion programs will obligate additional materials which would result in additional revenues for the Region may not bear out. To mitigate the risk of budget shortfalls, the 2021 budget submission is based on historical actuals plus staff's best estimate on how the new programs may roll out.
- Maintaining current service level standards could be a challenge if the new regulations do not include adequate minimum service standards. Staff will continue to engage with

Update and Proposed Direction on the Transition of the Region of Peel’s Waste Diversion Programs to Full Producer Responsibility

the Ministry to advocate for inclusion of adequate service standards (e.g. collection frequency) in the forthcoming regulations.

- Based on experience with the recently finalized Electrical and Electronic Equipment regulation, the final regulation wording for the Municipal Hazardous and Special Waste and Blue Box programs may differ significantly from draft versions or earlier policy proposals from the Ministry and might not be in line with the Region’s ideals and may favour industry. To mitigate this risk, staff will remain engaged with the Ministry and industry groups and will continue to advocate the Region’s position to the Ministry.

FINANCIAL IMPLICATIONS

Producer funded waste diversion programs for Tires, Batteries, Electrical and Electronic Equipment, and Municipal Special and Hazardous Waste have been or will soon be approved by the Ministry. Under these programs affected industry producers are financially and operationally responsible for recycling the materials and, with the exception of Tires, are paying or expected to pay a significant portion of the Region’s cost to collect and process the material.

In addition, to further support the transition of the Blue Box program, staff will be supported by a new Advisor position on a four-year contract (from January 2021 to December 2024) funded from existing approved capital budget which will be included in the 2021 budget submission.

The projected 2021 net operating costs of the five waste diversion programs are shown in Table 3 below. The 2021 budget is based on historical actuals plus staff’s best estimate on how the new programs may roll out.

Table 3: Waste Diversion Programs 2021 Draft Budget

	2020	2021		
	Net Operating Cost	Projected Gross Expenditures	Projected Commodity Revenue & EPR Funding	Projected Net Operating Cost
Tires¹	\$20,000	\$0	\$0	\$0
Batteries	\$71,000	\$138,000	(\$67,000)	\$71,000
Electrical and Electronic Equipment	\$115,000	\$301,000	(\$186,000)	\$115,000
Municipal Hazardous and Special Waste	\$1.5 Million	\$2.5 Million	(\$963,000)	\$1.5 Million
Blue Box	\$16.6 Million	\$39.3 Million	(\$22.5 Million)	\$16.8 Million

¹ Assumes the Region no longer collects tires at CRCs.

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

APPENDICES

Appendix I - List of Hazardous and Special Waste Material Categories Collected at Community Recycling Centres

For further information regarding this report, please contact Norm Lee, Director Waste Management, Ext. 4703, norman.lee@peelregion.ca.

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director and Financial Support Unit.

Final approval is by the Chief Administrative Officer.



N. Polsinelli, Interim Chief Administrative Officer

Appendix I

Update and Proposed Direction on the Transition of the Region of Peel's Waste Diversion Programs to Full Producer Responsibility

List of Hazardous and Special Waste Material Categories Collected at CRCs

Funding Received	No Funding Received
<ul style="list-style-type: none"> • Waste Paint Pails • Waste Paint Drums • Fertilizers • Ethylene Glycol • Pesticide • Miscellaneous Flammable Drums • Miscellaneous Flammable Pails • Propane 20lb Cylinder • Propane 30lb Cylinder • Propane 100lb Cylinder • <5lb Propane • Miscellaneous Flammable Cylinders • Miscellaneous Non- Flammable Cylinders • Aerosols • Oil Filters 	<ul style="list-style-type: none"> • Fluorescent Tubes 4's • Fluorescent Tubes 8's • Miscellaneous Fluorescent Tubes • Pharmaceuticals • Syringes • Fire Extinguishers • Mercury Containing Devices • Inorganic Acids • Inorganic Bases • Oxidizers • Fuel • PCB Ballasts • Motor Oil

REPORT TITLE: **Proposed 2021 Waste Management Service Changes**

FROM: Andrew Farr, Interim Commissioner of Public Works

RECOMMENDATION

That the waste management service changes proposed in the report from the Interim Commissioner of Public Works titled “Proposed 2021 Waste Management Service Changes” be endorsed.

REPORT HIGHLIGHTS

- As a result of the COVID-19 pandemic, Peel made several changes to its waste management services, to ensure public and worker safety and to maintain essential waste services.
 - Staff identified that a number of these service changes were successful and are proposed as candidates for permanent service changes.
 - The service changes include:
 - Extended hours at Community Recycling Centres were adjusted
 - Cash transactions at the Community Recycling Centres were suspended
 - Garbage Bag Tag sales were adjusted
 - Tire collection at the Community Recycling Centres was suspended
 - If endorsed these service changes will be included as part of the proposed 2021 budget.
-

DISCUSSION

1. Background

As a result of the COVID-19 pandemic, Peel made several changes to its waste management services, to ensure public and worker safety and to maintain essential waste services. The changes, outlined in Appendix I, were successful in meeting these objectives and several have now been identified as candidates for permanent change as they not only continue to ensure public and worker safety through future waves of COVID-19 but they also help manage Community Recycling Centre (CRC) usership which improves wait times and lineups, provide better customer service, create cost savings and improve operational efficiency.

This report describes the following recommended service changes:

- Reduction of extended hours at the Community Recycling Centres (CRCs)
- Continuation of Credit and Debit (only) transactions for 2021
- Encouraging garbage bag tag sales online
- Discontinuation of tire collection at the CRCs

Proposed 2021 Waste Management Service Changes

2. Proposed Waste Management Service Changes

a) Reduction of Extended Hours

Peel's CRCs offer extended hours to residents and small businesses during the peak summer and fall months, namely May to October. Extended hours offer CRC customers an alternate time to utilize CRCs, when line ups are the lowest, and in return provides relief at the CRCs on the weekends when the CRCs are the busiest.

Extended hours originally started in 2004 and have undergone some changes over time, namely:

- Extended hours were in effect all year on Thursdays at the Brampton, Battleford and Bolton CRCs to help reduce wait times and lineups on weekends.
- From September 2013 to November 2014 staff piloted extended hours four days a week at the Brampton and Battleford CRCs.
- The Bolton CRC remained on a one day a week schedule on Thursday.
- The Fewster CRC was added to the pilot in May 2014 in which extended hours were offered on Thursdays.

The results of the pilot indicated that extended hours were only required from May to October and that these were not needed at the Bolton CRC.

- Extended hours are currently offered at the Battleford, Fewster, Brampton and Heart Lake CRCs.
- The Bolton and Caledon CRCs do not offer extended hours as the regular operating hours suffice in meeting demand.

CRCs offering extended hours have the capacity to process on average up to 75 customers per hour without causing operations significant concern. The exact number depends on the mix of customers, as some customers drop off more waste and take more time to process on site.

This maximum has been reduced to less than 65 customers per hour when COVID-19 protocols, such as maintaining physical distancing, are in effect. When residents attend the CRCs at a rate that is over the maximum capacity, residents experience longer wait times and line ups begin to spill off the sites onto local roadways.

Even prior to COVID-19 measures being put in place in March 2020, data showed that extended hours are not completely in alignment with CRC usage. Staff had already been investigating different options for implementing extended hours to better match customer demand.

Table 1 below shows the average number of customers per hour visiting Peel's CRCs on Saturday and Sunday between May and October 2019, when extended hours are in effect. The bolded numbers in the table denote the times when the CRC is nearing or exceeds capacity.

Proposed 2021 Waste Management Service Changes

Table 1: 2019 Average Weekend CRC Users per Hour with Extended Hours

	Battleford			Brampton			Fewster			Heart Lake		
	Sat	Sun	Ext hours	Sat	Sun	Ext hours	Sat	Sun	Ext hours	Sat	Sun	Ext hours
May	47	55	13	46	41	12	27	26	8	39	40	9
June	88	86	17	72	67	20	45	34	6	62	55	6
July	66	64	32	55	52	27	32	26	9	41	41	13
August	66	46	27	52	38	22	29	20	14	43	29	21
September	60	68	21	48	52	19	30	31	10	40	44	14
October	60	51	15	47	38	10	30	21	8	39	34	11

The data shows that, even with the extended hours in place, some CRCs are still experiencing elevated Saturday and Sunday usage in the summer, but most CRCs operate under the maximum capacity on weekends.

Table 2 below shows what the hourly visits would be if extended hours were eliminated (on the assumption that residents who utilize extended hours would visit the CRCs on the weekend if extended hours were no longer available). The Fewster and Heart Lake CRCs are not included in the Table 2 because their usership is below the maximum capacity.

Table 2: 2019 Average Weekend CRC Users per Hour if No Extended Hours are Offered (residents using weekends)

	Battleford		Brampton	
	Sat	Sun	Sat	Sun
May	58	66	55	50
June	104	101	90	85
July	94	93	79	76
August	85	66	68	54
September	78	87	64	68
October	76	65	56	47

The data illustrates that without extended hours in place the Battleford and Brampton CRCs would exceed capacity on most weekends in the summer months and on some weekends in the fall months.

Heart Lake CRC has seen significant increase in usage in 2020, possibly related to COVID-19 changes. The Heart Lake CRC is unique in that many Caledon residents utilize this site, which could also be a factor in the usage increases. It is unknown if this usage will last post-COVID-19, so extended hours at Heart Lake should be maintained until a new post-COVID-19 normal is determined for this site.

Proposed 2021 Waste Management Service Changes

As part of this review, staff analyzed various options in which extended hours are adjusted to

- better match resident usage
- balance operational efficiencies with customer needs.

The preferred extended hours schedule that addresses both criteria is shown in Table 3 below.

Table 3: Proposed changes to Extended Hours

Site	Current Extended Hours (May to October)	Proposed Extended Hours Summer Months (May-August)	Proposed Extended Hours Fall Months (Sep and Oct)
Battleford CRC	4 days a week	4 days a week	2 days a week
Fewster CRC	1 day a week	0 day per week	0 day per week
Brampton CRC	4 days a week	3 days a week	1 day per week
Heart Lake CRC	1 day a week	1 day per week	1 day per week

This new extended hours schedule fine tunes the hours offered at the Brampton and Battleford CRC to match customer usage in both the Summer and Fall months; it eliminates the need for extended hours at the Fewster CRC and it maintains evening hours at the Heart Lake CRC during COVID-19 and while a new post COVID-19 normal is determined.

As a pilot Peel implemented a reduction in extended hours in September 2020, during COVID-19, and have not received any complaints about limiting the schedule nor any notable changes to lineups or wait times. The proposed schedule offers a compromise between the 2019 and 2020 COVID-19 schedule.

Staff recommends implementing these changes beginning May 2021, which will result in savings of approximately \$67,000 annually.

b) Additional Service Changes

The following service changes were implemented for the health and safety of CRC users and staff during COVID-19, but if implemented permanently may also improve wait times, reduce lineups, create budget savings and increase operational efficiency.

Cashless Transactions

As part of the COVID-19 response, the Region suspended cash transactions and accepted only debit and credit transactions at the CRCs. This was done to reduce touch points and lower the risk of community transmission.

Proposed 2021 Waste Management Service Changes

In doing so staff learned that allowing only debit and credit transactions makes transactions quicker and helps to reduce wait times and line ups at the CRCs, which overall increases the customer satisfaction at the CRCs. Most customers welcomed the change because payment transactions were quicker and more efficient. A small number of businesses still wanted the ability to pay cash and, in these instances, staff were able to work with the businesses to offer other solutions that met their needs.

Outside of the improvements to overall reduction in wait times, operational efficiencies were also achieved when the sites stopped accepting cash.

- Staff no longer had to travel between the five CRCs to provide change or do deposits.
- Debit and credit transactions provide an electronic and paper record which makes it easier if there are any customer questions or concerns about the charges.
- There was no longer a need for staff members to have petty cash floats and complete end of day cash reconciliations.
- Implementing debit and credit only transactions also eliminated the inherent risk of theft and fraud associated with accepting cash at the sites.

Staff recommend that for 2021 the CRCs continue debit and credit only transactions as it decreases wait times, lineups and processing times. Also, there is still uncertainty with COVID-19, and this practice continues to limit possible community transmission of the virus and protects staff and residents.

Bag Tag Sales

Garbage bag tags allow residents to place out additional garbage bags on their collection day for a fee of \$3.00 per tag. These are sold in-person at many regional and municipal locations as well as online. Table 4 provides the breakdown of in-person and online sales over the past few years.

Table 4: Breakdown of Garbage Bag Tag Sales

Point of Sale	Percentage of Total Tag Sales
Online	19%
In-Person	
Community Recycling Centres	19%
Access Peel	2%
City of Brampton facilities	34%
City of Mississauga facilities	21%
Town of Caledon facilities	5%

As local municipal community centres, libraries, and re-use stores at Community Recycling Centres were closed in March, all of which sold bag tags, it resulted in a shift to online garbage bag tag purchases for some residents.

At CRCs, bag tags could historically be purchased at scale houses or at reuse drop-off areas and the reuse store through the Salvation Army. In 2019, 40 per cent of garbage bag tags sold at CRCs were sold at scale houses and 60 per cent were sold at the reuse

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areas/store. Of the two options available at the CRCs, purchasing bag tags at the scale houses is less efficient in terms of customer wait times and site capacity.

In order to reduce wait times at the CRCs, staff recommends that CRCs only sell tags at the reuse drop-off areas and that residents be encouraged to purchase tags online. Staff will monitor garbage bag tag sales over the coming year and analyze the data to assess if a shift to online sales only is appropriate in the future.

Tire Collection at the Community Recycling Centres

As of January 1, 2019, responsibility for the collection of tires transitioned to producers under the *Resource Recovery and Circular Economy Act, 2016*. The Region continues to collect tires at Community Recycling Centres but does not receive any revenue from tire producers for doing so. In 2019, the Region collected 600 tonnes of tires.

Tires collection was suspended at CRCs during COVID-19 to limit touch points and to help limit the possible transmission of the virus (and to free up space given we needed more for distancing). During the suspension of this service, staff investigated other options for the public to dispose of their used tires. Based on the most recent count of registered tire collection sites in Peel Region, there are over 500 approved drop off locations who accept tires for free.

Ending tire collection at CRCs would free up space for other diversion activities, reduce wait times while not negatively impacting residents. A report from the Interim Commissioner of Public Works titled "Update on the Transition of Region of Peel's Waste Diversion Programs to Full Extended Responsibility" is included on the October 29, 2020 agenda of the Waste Management Strategic Advisory Committee and contains the details of the tire collection program transition and recommends ending tire collection at the CRCs effective January 1, 2021.

COMMUNICATIONS

The Region will prepare a communications plan to notify residents of the approved service changes, using standard communication channels.

RISK CONSIDERATIONS

There are customer service risks with implementing these service changes but, based on the limited customer impacts and complaints when these changes were implemented as part of the COVID-19 response, these risks are expected to be manageable.

The proposed changes to extended hours may increase customer complaints about wait times on the weekends. Extended hours were reduced during COVID-19 and the CRCs experienced a drastic increase in users during this time. Staff received no complaints about wait times, lineups or the reduction of available hours at the CRCs.

The risk of increased customer complaints can be mitigated by communicating the changes early, explaining the benefits of the changes and providing alternative options for the customers.

Proposed 2021 Waste Management Service Changes

FINANCIAL IMPLICATIONS

If the recommendations are endorsed, the Waste Management service changes outlined in this report will be included in the Waste Management 2021 budget submission, effective January 1, 2021 for an overall savings of \$67,000 per year.

CONCLUSION

The service changes recommended in this report will increase customer service, decrease wait times and lineups at the Community Recycling Centres and provide operational efficiencies that result in budget savings with minimal impact to the CRC users.

APPENDICES

Appendix I - Community Recycling Centre Service Changes during COVID-19

For further information regarding this report, please contact Norman Lee, Director Waste Management, Ext. 4703, norman.lee@peelregion.ca.

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director and Financial Support Unit.

Final approval is by the Chief Administrative Officer.



N. Polsinelli, Interim Chief Administrative Officer

Appendix I
Proposed 2021 Waste Management Service Changes

Community Recycling Centre Service Changes during COVID-19				
CRC Service	Action in First Wave	Rationale for Action (During First Wave)	Current Status	Recovery Comments
Platform protocols	Modified to reduce the number of cars allowed on the platform at the same time.	Ensured physical distancing requirements were met as advised by Peel Public Health.	Modified operations	None
Household Hazardous Waste Drop Off	Modified protocols to eliminate close interaction between users and staff.	Implemented precautionary measures by minimizing touch points for staff.	Modified operations	<ul style="list-style-type: none"> Residents unload materials. Enhanced health and safety protocols.
Household Hazardous Waste for Small Businesses	Modified protocols	Implemented precautionary measures by minimizing touch points for staff.	Modified operations	<ul style="list-style-type: none"> By appointment only Enhanced Health and Safety Protocols.
Extended Hours	Delayed implementation by one month to July and reduced number of days for September and October.	Additional time was required to appropriately adjust operations due to COVID impacts.	Modified operations	<ul style="list-style-type: none"> Modified schedule for September and October, with extended hours ending the week of October 26.
Bulky Items Drop-Off	Suspended for 2 Months	Implemented precautionary measures by minimizing touch points for staff.	Recovered	<ul style="list-style-type: none"> Residents unload materials. Enhanced health and safety protocols.
Electronics Drop-Off	Suspended for 3 Months	Implemented precautionary measures by minimizing touch points for staff.	Recovered	<ul style="list-style-type: none"> Residents unload materials. Enhanced health and safety protocols.
Large appliance Drop Off and Refrigerant Extraction	Suspended for 3 Months	Implemented precautionary measures by minimizing touch points for staff.	Recovered	<ul style="list-style-type: none"> Residents unload materials. Enhanced health and safety protocols.

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Proposed 2021 Waste Management Service Changes

Community Recycling Centre Service Changes during COVID-19				
CRC Service	Action in First Wave	Rationale for Action (During First Wave)	Current Status	Recovery Comments
Caledon Community Services' Evolve Donation and Retail Store (Bolton CRC)	Suspended for 3 Months	Followed provincial government direction to suspend non-essential services.	Recovered	<ul style="list-style-type: none"> Resumed operations with enhanced health and safety protocols, as province entered Phase 2 of recovery.
Salvation Army Donation and Retail Store (Brampton CRC)	Suspended 4 Months	Followed provincial government direction to suspend non-essential services.	Recovered	<ul style="list-style-type: none"> Resumed operations with enhanced health and safety protocols, as province entered Phase 2 of recovery.
Charging of Disposal Fees	Suspended/Amended	Disposal fees waived (once per day) for loads up to 100 kg. If a load exceeds 100 kg, the first 100 kg is free, then a 12¢ per kg charge will apply to the rest of load	Suspended/Amended	None
Cash Transactions	Suspended	Debit and Credit only transactions implemented to minimize potential transmission of COVID-19	Suspended	<ul style="list-style-type: none"> Increases speed of transactions Decreases wait times and lineups Decreases potential transmission of COVID-19
Tire Drop-Off	Suspended	Implemented precautionary measures by minimizing touch points for staff.	Suspended	<ul style="list-style-type: none"> Remains suspended to minimize wait times and line-ups on-site. Several alternative return-to-retailer options are available to residents.

Appendix I
Proposed 2021 Waste Management Service Changes

Community Recycling Centre Service Changes during COVID-19				
CRC Service	Action in First Wave	Rationale for Action (During First Wave)	Current Status	Recovery Comments
Non-Essential Sale Items (Backyard composters, rain barrels, organic kitchen containers)	Suspended	Followed provincial government direction to suspend non-essential services.	Suspended	<ul style="list-style-type: none"> Remains suspended to minimize wait times and line-ups on-site. Several alternative retail options are available to residents.
Garbage Bag Tag Sales	Suspended	Sales not required due to implementation of 2-bag allowance of extra garbage at the curb without bag tags.	Suspended	None
Compost Sales	Suspended	Implemented precautionary measures by minimizing touch points for staff.	Suspended	None
Paper Shredding Events	Suspended	Implemented precautionary measures by minimizing mass gatherings and touch points for staff.	Suspended	None
Conservation Day Events	Suspended	Implemented precautionary measures by minimizing mass gatherings and touch points for staff.	Suspended	None

Subject: FW: Provincial Day of Action on Litter – Waste Reduction Week Initiatives

From: Minister, MECP (MECP) <Minister.MECP@ontario.ca>
Sent: October 16, 2020 3:33 PM
To: ZZG-Chair <zzg-chair@peelregion.ca>
Subject: Provincial Day of Action on Litter – Waste Reduction Week Initiatives

CAUTION: EXTERNAL MAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST.

Good afternoon,

As a continuation of the Provincial Day of Action on Litter initiative, we would like to invite you to participate in litter reduction activities during this year's [Waste Reduction Week](#).

Earlier this year, in support of efforts to stop the spread of COVID-19 and help keep Ontarians safe, the Ministry of the Environment, Conservation and Parks postponed the 2020 Day of Action on Litter cleanups, originally slated to take place May 12th, 2020.

We are now planning to promote safe, small-scale cleanups that are limited to members of your own household, in keeping with recent COVID-19 public health guidelines, during Waste Reduction Week, which takes place Monday, October 19 to Sunday, October 25, 2020.

Throughout this week, the ministry will be encouraging citizens to organize by household, in accordance with current COVID-19 public health guidelines, to safely pick up litter in their communities.

To help make these cleanup events a success, we are seeking your municipality's support with the following activities:

1. Promoting small scale, safe citizen-led Waste Reduction Week cleanup participation through your social accounts and any other channels you use to communicate with your community members.
2. Supporting small scale cleanups through issuance of permits, if required, or collection of cleanup waste in parks.
3. Educating on the impact of litter and waste during Waste Reduction Week through your social accounts and any other channels you use to communicate with your community members.

We are sharing the following materials and resources with you, to help promote Waste Reduction Week and cleanup participation across Ontario:

1. Our [Partner Guide](#), which includes sharable photos and messaging.
2. Our [Public Litter Cleanup Guide](#) with important COVID-19 safety tips and a helpful checklist.

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____

3. The Litter Tracker invites cleanup participants to track details about your cleanup and the type of litter you collect. We are seeking community support by asking citizens to submit their Litter Tracker information to the ministry after their cleanups, by completing this [Litter Cleanup Report-Back form](#). This information will help us better understand litter in our environment and may help inform future government decision making.

Some of the COVID-19 safety tips included in our Public Litter Cleanup Guide include:

- Keep cleanups small-scale and part of the same household.
- Use Personal Protective Equipment (gloves and masks) or a litter grabber when picking up litter.
- Visit Ontario's [website](#) to learn more about how the province continues to protect the people of Ontario from COVID-19.

The ministry's digital campaign leading up to Waste Reduction Week is underway. Please keep an eye out for sharable social posts on our social media accounts.

At this time, we would also like to make you aware of the 2021 Day of Action on Litter taking place May 11, 2021. We are inviting all stakeholders to start thinking about how they may be able to host a cleanup on or around May 11 to recognize the 2021 Day of Action, or potentially shift other planned cleanups to May 11 to contribute to this provincial initiative. Please stay tuned for more information from the ministry in the coming months.

If you have any questions, please reach out to actONlitter@ontario.ca.

Thank you for your ongoing support in working together to keep our province clean.

Jeff Yurek
Minister of the Environment, Conservation and Parks

Andrea Khanjin
Parliamentary Assistant to the Minister of the Environment, Conservation and Parks