

**Municipal Hazardous or Special Waste Funding from
Waste Diversion Ontario/Stewardship Ontario**

Date:	June 11, 2008
To:	Public Works and Infrastructure Committee
From:	General Manager, Solid Waste Management Services
Wards:	All
Reference Number:	p:/2008/swms/June/010PW

SUMMARY

The purpose of this report is to request authority to negotiate and enter into an agreement with Stewardship Ontario relating to shared responsibility for Municipal Hazardous or Special Waste (MHSW) in order to receive funding through the MHSW Program Plan developed by Stewardship Ontario. MHSW is a component of Household Hazardous Wastes (HHW).

RECOMMENDATIONS

The General Manager, Solid Waste Management Services recommends that:

1. City Council authorize and direct appropriate City officials to negotiate and execute an agreement with Stewardship Ontario, substantially on terms and conditions summarized in Appendix "A" attached, with such modifications considered to be in the interests of the City by the General Manager, Solid Waste Management Services, and otherwise on terms and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor, in order to receive funding through the MHSW Program Plan established by Stewardship Ontario under the Waste Diversion Act;

2. City Council grant to the appropriate City officials the standing authority to negotiate and execute any future amendments to the agreement described in Recommendations 1 as appropriate, on terms and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor; and
3. Upon execution of the agreement with Stewardship Ontario described in Recommendation 1, the 2008 approved Solid Waste Management Services Operating Budget be amended to include an increase in budgeted subsidy of \$0.210 million offset by a corresponding increased contribution to the Waste Management Reserve Fund of \$0.210 million.

Financial Impact

The 2008 budgeted Contracted Hazardous Waste Removal (Cost Centre SW0612) is \$1,535,875.77. The 2008 projection for Hazardous Waste Removal is currently \$1.2 million based on year to date actuals. Preliminary estimates show that 35% of hazardous waste removal or \$420,000 per year could be funded by Stewardship Ontario as Phase 1 MHSW materials as defined by the MHSW Program Plan. The following Table summarizes the calculation and estimated yearly funding from the Stewardship Ontario MHSW Plan.

2008 Budgeted Contracted Hazardous Waste Removal	\$1,535,875.77
2008 Projected Contracted Hazardous Waste Removal	\$1,200,000.00
35% eligible for Stewardship Ontario funding	\$420,000.00
Estimated 5-year Stewardship Ontario funding for Phase 1 MHSW materials	\$2,100,000.00

Year	Stewardship Ontario Phase 1 Funding Estimate
July 1, 2008 – December 31, 2008	\$210,000
January 1, 2009 – December 31, 2009	\$420,000
January 1, 2010 – December 31, 2010	\$420,000
January 1, 2011 – December 31, 2011	\$420,000
January 1, 2012 – December 31, 2012	\$420,000
January 1, 2013 – July 1, 2013	\$210,000
Total Estimated Funding For 5-Year Agreement	\$2,100,000

It is recommended that MHSW funding received in 2008 of \$210,000 will be a contribution to the Waste Management Reserve Fund. Total funding of \$420,000 per year for MHSW will be included in the Operating Budget submissions of Solid Waste Management Services.

Details on the amount of funding will be determined through negotiations with Stewardship Ontario.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The Ontario Minister of the Environment on December 12, 2006, required that Waste Diversion Ontario (WDO) develop a waste diversion program for MHSW and that Stewardship Ontario act as the industry funding organization to develop and implement the Program Plan for WDO.

The MHSW Program Plan was approved by the Ontario Environment Minister on February 19, 2008. The Plan is to be launched on July 1, 2008.

ISSUE BACKGROUND

The City currently operates six permanent HHW depots, approximately forty-two annual Environment Day events, and a Toxics Taxi service to collect HHW for proper disposal and/or recycling. The costs for the HHW program are financed through the Solid Waste Management Services Annual Operating Budget.

Commencing July 1, 2008, brand owners and/or first importers responsible for Phase 1 materials defined in the MHSW Program Plan (see list below) will be obligated to pay steward fees that will be used to finance municipal costs incurred for the recycling and/or proper disposal of these materials. Municipalities will continue to be responsible for the collection costs for the MHSW.

Phase 1 of the MHSW program includes the following materials:

- paints and stains and their containers;
- solvent such as thinners for paint, lacquer and contact cement, paint strippers and degreasers, and their containers;
- used oil filters;
- oil containers of 30 litres or less for a wide range of oil products such as engine and marine oils, and hydraulic, power steering and transmission fluids;
- single use, dry cell batteries such as alkaline-manganese, zinc-carbon, lithium and button cell batteries (e.g., non-rechargeable batteries that are meant to be removed and replaced by the consumer);
- automotive antifreeze (engine coolant) and related containers;

- pressurized containers such as propane tanks and cylinders;
- fertilizers, for example, plant food or plant nutrients containing nitrogen, phosphorus, potassium (N-P-K); and
- fungicides, herbicides, insecticides and pesticides and their containers.

The MHSW Program Plan also provides for funding for promotion and education of the public for the safe disposal of MHSW. The promotion and education will result in higher volumes of MHSW brought to the City's HHW Depots.

The MHSW Program Plan also identifies Phase 2 materials (see list below). The Minister will notify WDO at a later date when these materials are expected to be included in the Plan.

Phase 2 of the MHSW program is expected to include the following materials:

- batteries (other than single use dry cell (i.e., rechargeable);
- aerosol containers;
- portable fire extinguishers;
- fluorescent light bulbs and tubes;
- pharmaceuticals;
- sharps, including syringes;
- switches that contain mercury, thermostats, thermometers, barometers, or other measuring devices that contain mercury.

COMMENTS

The City currently receives funding from Stewardship Ontario under the Blue Box Program Plan. The MHSW Program Plan is the second approved program under the *Waste Diversion Act, 2002*. The MHSW shared responsibility agreement will provide municipalities with funding for the costs of proper disposal/recycling of the MHSW while municipalities will continue to be responsible for the collection costs of the MHSW.

The Stewardship Ontario MHSW funding agreement will assist the City in recovering some of its operating expenditures while increasing the quantity of MHSW materials properly managed. The current agreement is being negotiated as a standard form agreement with all municipalities, which may be amended from time to time as the MHSW Program Plan undergoes changes. As a result of this funding, the City will be extending the operating hours and days at three (3) HHW Depots to provide better accessibility and convenience for the public and to divert more HHW for proper recycling and disposal.

Negotiations with respect to finalization of the wording in the agreement and the contents and wording of several of the schedules are continuing. Therefore the General Manager of Solid Waste Management Services is seeking authority to complete negotiations and execute the agreement described in Recommendation (1). The key provisions in the current version of the draft agreement are summarized in Appendix “A”.

As noted in Appendix “A”, one of the terms of the MHSW Management Shared Responsibility Agreement is that there may be future amendments to the Agreement to reflect changes to the MHSW Program. Therefore, the General Manager is seeking the standing authority to allow the appropriate City officials to negotiate and execute such agreements, on terms and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor.

CONTACT

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ATTACHMENT

Appendix “A” – Summary of Key Terms in Draft Municipal Hazardous or Special Waste Management Shared Responsibility Agreement