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<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 2, 2012</b>
<b>FROM:</b>	<b>JAY STANFORD, M.A., M.P.A. DIRECTOR, ENVIRONMENT, FLEET &amp; SOLID WASTE</b>
<b>SUBJECT:</b>	<b>STEWARDSHIP ONTARIO FUNDING OF THE CITY'S HOUSEHOLD SPECIAL WASTE PROGRAM</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Director – Environment, Fleet & Solid Waste, the attached proposed By-law (Appendix A) **BE INTRODUCED** at the Municipal Council meeting of April 10, 2012 to approve amendments to the agreement with Stewardship Ontario to fund a portion of the City's Household Special Waste Program.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Relevant reports that can be found at [www.london.ca](http://www.london.ca) include:

- Stewardship Ontario Funding Of The City's Household Special Waste Program (August 16, 2011 meeting of the Community and Neighbourhoods Committee (CNC), Agenda Item #6)
- Extension of Household Special Waste Recycling and Disposal Service (May 17, 2011 meeting of CNC, Agenda Item #7)
- Extension of Household Special Waste Recycling and Disposal Service (January 18, 2011 meeting of the CNC, Agenda Item #6)
- Extension of Household Special Waste Recycling and Disposal Service (July 21, 2010 meeting of the Board of Control, Agenda Item #11)
- Update: Interim Business Plan for Green Bin Program and Zero Waste Strategies (May 10, 2010 meeting of Environment and Transportation Committee (ETC), Agenda Item #13)
- Interim Business Plan For The Green Bin Program and Zero Waste Strategies (January 11, 2010 meeting of ETC, Agenda Item #11)
- Update on Household Special Waste Program and Agreements (November 10, 2008 meeting of the ETC, Agenda Item #2)

<b>BACKGROUND</b>
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**PURPOSE**

The purpose of this report is to seek approval to amend the existing agreement with Stewardship Ontario for funding of the City's Household Special Waste (HSW) program. These amendments are designed to strengthen the previous agreement by satisfying recent municipal requests that will provide added benefits to the City of London.

**CONTEXT**

Until June 30, 2008, municipalities were responsible for all aspects of collecting and management of Municipal Hazardous and Special Waste (MHSW). Since then, stewards (companies responsible for bringing MHSW into the market place) and/or the Province have been responsible for a portion of the costs associated with MHSW materials. The amount funded by the Stewards and/or Province has changed several times as shown in Table 1.

Under our current agreement with the Stewards (through Stewardship Ontario – SO), they are responsible for approximately 45% of all costs (collection, transportation and recycling/disposal). The Province is responsible for 25% of costs and the City is responsible for about 30% of costs.

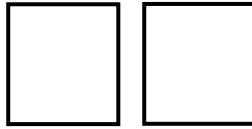


Table 1 Estimate Cost Sharing for Different EPR Structures

Period	London	Stewards	Province
Up to June 30, 2008 <sup>a</sup>	100%	0%	0%
July 1, 2008 to June 30, 2010 <sup>b</sup>	75%	25%	0%
July 1, 2010 to June 30, 2011 – Original Program <sup>c</sup>	10%	90%	0%
July 1, 2010 to June 30, 2011 – Revised Program <sup>d</sup>	10%	60%	30%
Since July 1, 2011 <sup>e</sup>	30%	45%	25%

Notes

- a) All materials responsibility of municipality.
- b) Stewards responsible for post-collection costs of 9 materials representing approximately 50% of materials handled at London’s HSW Depot.
- c) Stewards responsible for collection and post-collection costs of 22 materials representing approximately 80% of materials handled (all materials except used oil) and 90% of the costs. Used oil generates revenue and therefore is less expensive to handle than the other materials.
- d) Province assumed responsibility for some of the materials that were added to the program on July 1, 2010 and other materials that were added to the program on July 1, 2011 became the responsibility of the municipality. The Province agreed to temporarily cover the cost of the materials that the municipalities were responsible.
- e) Stewards responsible for collection and post-collection costs of 9 materials representing approximately 50% of materials and 60% of the costs of the materials handled at London’s HSW Depot. The proposed funding agreement covers 45% of the HSW depots costs. Province is responsible for collection and post-collection costs of approximately 20% of materials handled (25% of costs) and the City is responsible for collection and post-collection costs of approximately 30% of materials handled.

**DISCUSSION**

Agreement with SO

The current agreement with SO to fund a portion of the City’s HSW program was approved by Council in August, 2011. This agreement had some shortcomings but approving the agreement assured the City would receive funding for its’ HSW program in a timely fashion. Since August, the Regional Public Works Commissioners of Ontario, the Association of Municipalities of Ontario, and the Municipal Waste Association (referred to as the Associations) have been working with Stewardship Ontario to address the shortcomings in the agreement identified by municipalities. The attached amending agreement is the result of those discussions and received the support of the Associations on January 18, 2012. City staff are very supportive of the work undertaken by the Associations.

The amending agreement is an optional document which would provide a number of benefits to the City including:

- SO will issue Purchase Orders within 30 days of receiving complete and accurate claim submissions;
- Confidentiality language has been revised to make allowances for the *Municipal Act, 2001* and the *Municipal Freedom of Information and Protection of Privacy Act*;
- Termination rights are mutual;
- Aerosols have been classified as Commingled MHSW, eliminating the need for municipalities to sort them; and
- Penalties for late submissions have been reduced from 10% to 5% per month.

The amending agreement also sets out a process for the Associations to meet with Stewardship Ontario to discuss payment terms on behalf of their members prior to any automatic renewal period.

Considering the above, it is recommended that the amending agreement be approved.

Extension of Buckham Transport Contract

Under the agreement with SO approved in August it was anticipated that SO would take over responsibility for having contractors remove MHSW from municipal depots as of January 1, 2012 and would bill municipalities for their portion of the cost of recycling/disposal.

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As of January 1, 2011 SO provided municipalities with a list of contractors who would remove the nine materials (e.g., paint, antifreeze, oil filters, etc.) that SO is 100% responsible for at no cost to the municipality. These materials represent the majority of materials removed from the City's HSW depot however SO still requires municipalities to continue to be responsible for managing the recycling/disposal of materials that have a shared cost component (e.g., solvents, pesticides, fertilizers, etc.). Municipalities will be reimbursed by SO for the Steward's portion of the cost of managing these materials.

The existing contract with the City's service provider (Buckham Transport) for managing MHSW waste was to end on December 31, 2011. This contract was extended to April 31, 2012 to allow time for procurement of a new 2 year contract and transition to the new contract by the successful bidder. The value of the extension is approximately \$25,000. Approximately 50% of this cost will be paid for by SO.

**ACKNOWLEDGEMENTS**

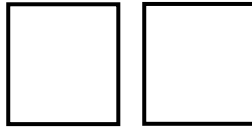
This report was prepared with assistance from David Munteer, Solicitor; Joy Jackson, Manager and Mike Losee, Manager, Solid Waste Engineering.

<b>PREPARED BY:</b>	
<b>WESLEY ABBOTT, P. ENG.                  DIVISION MANAGER                  SOLID WASTE MANAGEMENT</b>	
<b>PREPARED AND RECOMMENDED BY:</b>	<b>REVIEWED &amp; CONCURRED BY:</b>
<b>JAY STANFORD, M.A., M.P.A.                  DIRECTOR, ENVIRONMENT, FLEET &amp;                  SOLID WASTE</b>	<b>JOHN BRAAM, P.ENG.                  ACTING EXECUTIVE DIRECTOR,                  PLANNING, ENVIRONMENTAL &amp;                  ENGINEERING SERVICES &amp; CITY                  ENGINEER</b>

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Appendix A: By-law to approve Amending Agreement New Municipal Hazardous or Special Waste Service Agreement with Stewardship Ontario

- c. Martin Hayward, City Treasurer & Chief Financial Officer
- Chris Traini, County Engineer, County of Middlesex



**APPENDIX A**

Bill No.  
2012

By-law No.

A By-law to approve an Amending Agreement for the New Municipal Hazardous or Special Waste Service Agreement regarding funding for the City of London's Household Special Waste Program with Stewardship Ontario; and to authorize the Mayor and Clerk to execute the Amending Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, as amended, provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10 of the *Municipal Act, 2001*, as amended provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public, and may pass by-laws respecting same, and respecting economic, social and environmental well-being of the City, and the health, safety and well-being of persons;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Amending Agreement New Municipal Hazardous or Special Waste Service Agreement to be entered into between The Corporation of the City of London and Stewardship Ontario regarding funding for the City of London's Household Special Waste Program, attached hereto as Schedule 'A' to this By-law, is hereby approved.
2. The Mayor and City Clerk are authorized to execute the Agreement approved under section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on April 10, 2012

Joe Fontana  
Mayor

Catharine Saunders  
City Clerk

First reading –  
Second reading –  
Third reading –

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