



---

To: **Committee of the Whole**

Agenda Section: Corporate Services  
Division: Engineering, Planning and Environment  
Department: Solid Waste Management

Item Number: **CCW 2024-022**

Meeting Date: February 13, 2024

Subject: **Recycling Services for Ineligible Sources**

---

### **Recommendation**

That Item CCW 2024-022 dated February 13, 2024 regarding Recycling Services for Ineligible Sources, be received; and

That starting January 1, 2026, ineligible sources within the County will not receive curbside collection of recycling provided by the County of Simcoe; and

That as of January 1, 2026, the County's waste management facilities accept recycling from all sources (eligible and ineligible), at a fee; and

That the Warden send a letter to the Minister of Environment, Conservation and Parks advocating for the inclusion of ineligible sources in applicable regulations.

### **Executive Summary**

The Blue Box Regulation (O Reg. 391/21) established that producers of recycling are responsible for the end-of-life management of these products from "eligible" sources (residential locations, schools and non-profit long-term care homes/seniors residences). Producers are therefore not responsible for the management of recycling from the Industrial, Commercial and Institutional (IC&I) sector (ineligible sources), nor is this a municipal responsibility. However, the County currently provides all IC&I properties with opportunities to participate in the County's waste programming, provided materials are in similar quantities to a residential unit. Of the County's approximate 5,600 ineligible properties, approximately 2,100 properties (37.5%) participate (1.4% of the County's total serviced units). In addition, the County accepts recycling free of charge at all waste management facilities, regardless of the originating property designation.

During the County's transition period (until 2026), recycling from all sources will continue to be collected and processed together, as outlined in [Item CCW 2023-196](#), and the costs for IC&I derived materials will be covered by the County. Starting January 1, 2026, producers have indicated they will neither collect nor process IC&I recycling, meaning if recycling collection services were to continue, the materials would have to be separated from eligible source material and the County would be required to facilitate the collection, transportation and processing, and assume 100% of the costs.

Given that the County has no statutory requirement to provide recycling collection to ineligible sources, and the cost would be much higher than the per unit cost of servicing the residential sector, staff have concluded the best way to proceed is to cease the curbside collection of recycling from ineligible sources as of December 31, 2025, and to continue accepting recycling for a fee at all County waste management facilities.

It is staff's belief that the producers of recycling should be responsible for managing all their materials regardless of the source of consumption, and that all property types should be deemed eligible under Regulation 391/21 provided they generate waste in quantities similar to that of a single residential unit. Staff will continue to engage with industry organizations, and advocate to the Province to amend regulations, as was recently done at the Rural Ontario Municipal Association (ROMA) conference (Schedule #2). To further support this, staff recommend Council approve the submission of the attached letter (Schedule #1) to the Minister of Environment, Conservation and Parks, directly requesting the following amendments:

1. Amend Ontario Regulation 391/21 to include small IC&I locations,
2. Amend Ontario Regulation 103/93 to expand IC&I locations required to recycle.

While the attached letter only speaks to the amendment of regulation, staff will also encourage alternative solutions that allows the current level of recycling servicing, in future discussions with the Province. This may include requiring PROs to provide municipalities an opportunity to continue to pay for the curbside recycling servicing of ineligible sources, as the County currently does for transition years.

### **Background/Analysis/Options**

In 2016, the Waste Free Ontario Act was passed, and the Resource Recovery and Circular Economy Act (RRCEA) was created. The RRCEA established that the producers (i.e., companies) of certain materials be fully responsible for the end management of those materials. Essentially, that producers have full financial responsibility for proper disposal of the materials they are producing. The Resource Productivity and Recovery Authority (RPRO) was also established in 2016 and administers the RRCEA, and all associated regulations, to ensure compliance with regulatory requirements.

The Blue Box Regulation (O Reg. 391/21) was passed in 2021 and established that producers of paper products and plastic packaging (recycling) be responsible for handling the end-of-life management of such materials. Under this regulation, producers of

recycling are responsible for setting up their own collection system by January 1, 2026, with a transition period for the County of Simcoe (County) from January 1, 2024 to December 31, 2025. Circular Materials Ontario (CMO) is the Producer Responsibility Organization (PRO) acting on behalf of producers to set up the collection system. As outlined in [Item CCW 2023-196](#), the County of Simcoe has signed an agreement with CMO to continue collection of blue box materials throughout the transition period.

The Blue Box Regulation defines eligible sources, those that producers are required to provide recycling collection services for, as residential locations, schools and non-profit long-term care homes/seniors residences. Producers are therefore not responsible for the collection of recycling from the following locations, referred to as “ineligible” sources:

- Industrial and commercial properties including;
  - Business Improvement Areas (BIAs)
  - Commercial properties along residential routes
  - Commercial farms
- Places of worship
- Daycares
- Weekend campgrounds & trailer-parks (without permanent or seasonal households)
- Public facing & internal areas of municipal buildings/facilities (e.g., libraries, arenas)
- Not-for-profit organizations, shelters
- Post-Secondary Institutions (public or private)

Properties having both residential and commercial units, will have both eligible (residential) and ineligible (IC&I) units.

During the County’s transition period, recycling from both eligible and ineligible sources will continue to be collected and processed together, as outlined in [Item CCW 2023-196](#). However, starting January 1, 2026, producers have indicated they will neither collect nor process ineligible sources’ recycling as part of their obligations. Therefore, if the County were to provide recycling services to ineligible sources, the collected materials would have to be separated from eligible sources’ materials and the County would be required to oversee the collection, transportation and processing, assuming 100% of the costs.

The provision of waste services to the Industrial, Commercial and Institutional (IC&I) sector (ineligible sources) has never been considered a municipal responsibility. Ontario Regulation 103/94 governs waste diversion, albeit only blue box recycling, in the IC&I sector and outlines that the onus is on those properties to set up their own recycling systems. The County has historically provided an opportunity for IC&I locations to participate in the County’s curbside recycling collection services, provided they generate similar quantities to what a residential unit would. Regulation 103/94 unfortunately only targets a small percentage of all of the IC&I properties in Ontario. An Office of the Auditor General of Ontario report from November 2021 noted that less than 2% of all IC&I establishments in Ontario are subject to Regulation 103/94. It is therefore the belief of staff that without the County’s involvement and the convenience of curbside recycling collection, that many IC&I properties would err towards disposing of their waste materials in the most economical means, which unfortunately is as garbage.

The County currently provides all IC&I properties with opportunities to participate in the County’s waste programming, provided materials collected are in similar quantities to a residential unit. Of the County’s approximate 5,600 ineligible properties, approximately 2,100 properties (37.5%) participate in the curbside recycling program. This represents approximately 1.4% of the serviced units within the County. IC&I properties are eligible to set out the same quantities of material as afforded to a residential unit. This service is grouped in with the County’s residential waste services, as it is easily accomplished through the current curbside collection route and encourages participation in both recycling and organics. In addition, the County accepts recycling free of charge at all waste management facilities, regardless of the originating property designation.

Table 1.0 below provides information on how other municipalities in the province have decided to proceed with their respective ineligible recycling servicing, as of January 1<sup>st</sup>, 2026. It is important to note that there is considerable difference between urban municipalities and predominately rural municipalities (County), in that there are far less kilometres travelled between serviced units in an urban community. This is especially true when only ineligible properties are being serviced, meaning that the County would be required to travel much greater distances to service only these locations, when compared to more urbanized neighbours. The economies of scale by servicing these locations alongside residential properties would be lost, resulting in a much greater cost to provide the same service.

Table 1.0: Ontario Municipal Decisions\*

<b>Municipality</b>	<b>Servicing Ineligible Properties Curbside Beyond January 1, 2026 (Curbside Recycling)?</b>	<b>Notes</b>
City of Toronto	Yes	
Peel Region	Yes	
District Municipality of Muskoka	Yes – Limited	Only servicing downtown Business Improvement Areas (BIAs)
Municipality of Chatham-Kent	No	
City of Kingston	No	
Norfolk County	No	
City of Guelph	No	
City of Thunder Bay	No	
City of Barrie	Yes	

\*Only municipalities that are known to have made a decision post 2026 were included in this table.

---

## County's Recycling Servicing of Ineligible Sources Starting January 1, 2026

The following are key considerations when reviewing the collection of recycling from ineligible sources, starting in 2026:

1. the County has no statutory requirement to provide recycling collection to the Industrial, Commercial and Institutional (IC&I) sector (ineligible sources)
2. the cost to provide recycling collection to an ineligible source would be six to seven times the cost required to provide the same service to a residential property, and
3. the recycling collection of ineligible sources would require additional trucks to travel the same County roadways as residential curbside trucks, resulting in a negative environmental impact and substantial increase in greenhouse gas emissions.

Therefore, staff are recommending that the curbside collection of recycling from ineligible sources cease December 31, 2025.

However, staff recommend that the County's waste management facilities continue to accept recycling. Any resident or business of the County would be able to bring in recycling, regardless of its origin (eligible or ineligible). The only change being that all recycling brought into a waste management facility, regardless of the source, would be charged a fee. This allows the County to provide options for diversion, however, will ensure that the costs required to manage the collected materials be offset and not solely financed through the County's budget.

If the County were to cease providing recycling services at waste management facilities, it would be challenging to ensure these materials were not ending up in the County's garbage. While producers are required to provide depot drop off for eligible sources that are not receiving curbside collection, there is no drop off option being provided to ineligible sources. Providing this option at County waste management facilities would provide ineligible sources with locations to divert their recyclables and would also provide convenience to eligible sources looking to dispose of multiple material types at one location. Since CMO requires recycling from ineligible and eligible sources to be separated, and our sites don't have the capacity, manpower or infrastructure necessary to keep these materials separate, the County would need to collect tipping fees from both residents and businesses for these materials to pay for the costs of the program. Residents would be encouraged to place their materials curbside for collection rather than paying to dispose of their recycling at the facility. Staff will continue to enforce the mixed waste rate (double the garbage rate) should residents choose not to divert their material from garbage when appropriate diversion programs are provided.

If Council approves the cessation of curbside recycling servicing for ineligible sources, and the continued acceptance of recycling from all sources at waste management facilities for a fee as of January 1, 2026, the following will be required:

- Procurement of recycling processing (to manage the collected recyclables)
- Communication to all ineligible sources, informing them of the changes being implemented January 1, 2026

Should IC&I locations continue to participate in County provided waste services, they would be subject to audits in order to ensure that divertible material is not being directed to disposal.

Finally, it is staff's belief that the producers of paper products and plastic packaging (recycling) should be responsible for managing all recycling, regardless of the source. Meaning all property types should be deemed eligible under Regulation 391/21. The decision to cease curbside collection for ineligible sources was made out of necessity, and the County does understand that this option could make the diversion of recycling more challenging for some affected properties. Unfortunately, the ineligibility of properties designated under Regulation 391/21 and the faults in the Regulation that governs waste diversion for the IC&I sector (Regulation 103/94), has created this situation. Staff will continue to engage with industry organizations, and to advocate for the Province of Ontario to amend the aforementioned regulation. Recently, County representatives made a delegation to the Province at the Rural Ontario Municipal Association (ROMA) conference (background attached as Schedule 2), and active conversations continue based on this presentation. However, staff also recommend that the Warden send a letter (draft attached as Schedule 1) to the Minister of Environment, Conservation and Parks, directly requesting the following amendments:

1. Amend Ontario Regulation 391/21 to include small IC&I locations (those generating similar quantities of waste as a residential unit) as eligible sources to ensure PROs are required to service these locations as part of their residential collection contract, and
2. Amend Ontario Regulation 103/93 to expand the application of the IC&I waste regulatory framework to additional businesses and institutions so those IC&I locations not included as eligible sources in Reg 391/21 are required to source separate.

While the attached letter only speaks to the amendment of regulation, staff will also encourage alternative solutions that allows the current level of recycling servicing, in future discussions with the Province. This may include requiring PROs to provide municipalities an opportunity to continue to pay for the curbside recycling servicing of ineligible sources, as the County currently does for transition years.

### **Alternatives Considered**

While staff only recommend Council proceed with the recycling servicing for ineligible sources as outlined above, there are alternatives that were considered. The following outlines those alternatives, and the reasons to not pursue:

#### **1. Continue to provide curbside recycling collection to all ineligible sources**

This is the most expensive scenario. Staff estimate this would cost six to seven times more than the current curbside collection cost on a per serviced unit basis for recycling

only. Exact costs are unknown and would require staff to pursue procurement of these services.

Alternative 1 means that the County would be responsible for continuing to provide curbside recycling services to all ineligible sources and would maintain the current level of servicing that is provided to these properties. The PROs have indicated they will not include the servicing of ineligible sources as of 2026, therefore the County would be required to procure a curbside collection contract for only a small fraction of the County's residents (1.4%). Separate collection trucks, in addition to the regular collection trucks, would be required to travel throughout the County, resulting in a negative environmental impact and an increase in greenhouse gas emissions.

Additionally, to ensure that the County was only collecting from ineligible sources and not performing collection that should fall on producers, an alteration would be required on participating unit's carts to ensure they were distinguishable from eligible source carts (such as a different coloured lid). There would be added expenses in purchasing the necessary equipment and in deploying such adjustments.

Further, Regulation 391/21 could be amended in the future to adjust which properties are considered 'eligible'. If Council were to direct staff to proceed with an alternative option that resulted in the entering of a collection contract, this would require us to terminate contracts established and change services already implemented to IC&I properties.

Finally, less than 50% of ineligible sources currently participate in the curbside recycling collection program. This means that significant operational capacity and financing would be required to service a relatively small portion of the County's IC&I sector. This is already a sector that the County is not mandated to service. If the County serviced this sector, it would also put the County in direct competition with the private sector companies that provide this type of service, of which there are multiple within the County's borders.

## **2. Discontinue all curbside recycling collection to all ineligible sources, and discontinue all recycling collection at County waste management facilities**

This is the least expensive scenario and staff estimate this option would result in no cost to the County.

Alternative 2 is favourable in terms of costs, and in aligning best with the intent of the blue box regulation (being that municipalities are no longer responsible for the management of recycling). However, there would be no options for either ineligible sources or eligible sources to recycle at County facilities, as all recycling collection and drop off would be discontinued. This means that ineligible sources would be unable to utilize curbside recycling services, nor would they be able to bring their recycling to any of the County's waste management facilities.

If this alternative (alternative 2) were to be pursued, ineligible sources would be responsible for coordinating and paying for their own private recycling collection services, as most already do. The County would not be involved or responsible for overseeing such collection or enforcing such collection. Once again, if the County were to service these sources, it would also put the County in direct competition with the private sector companies that provide this type of service, of which there are multiple within the County's borders and should the County provide this service, and the definition of eligible sources be changed within the regulation, the County would be in a vulnerable financial position.

Under this scenario it is highly probable that that more recycling would be disposed of in the garbage stream. Without a perceived convenient option for properties, it is likely that diversion rates will suffer, and the County would have no control over the diversion of recycling.

### **Financial and Resource Implications**

If Council approves the cessation of curbside recycling servicing for ineligible sources, and the continued acceptance of recycling from all sources at waste management facilities for a fee, as of January 1, 2026, there will be costs incurred by the County through the management of recycling collected at waste management facilities (compaction, hauling and processing), however staff do not expect a net impact to the operating budget as any increased costs should be offset by increased revenues.

It is assumed that the County would receive similar tonnages to what is currently received at the facilities, and therefore current County fleet and equipment could provide the required consolidation and hauling. However, if there was an increase in tonnages, there is the potential that additional recycling compaction equipment and collection bins would be required, potentially in the range of \$120,000.

The County is currently (as of January 1, 2024) compensating CMO to manage ineligible source materials throughout transition years from both the curbside collection and our facilities drop-off collection. Based on staff's estimations, the current cost of this service versus the increased tipping fees as recommended would likely be enough to cover the expected operational expenses associated with the recycling management, hauling and processing, however this would be further confirmed through the procurement of recycling processing services and the quantity of materials received.

Overall, staff do not expect an increase to capital or operational expenses for the cessation of curbside recycling servicing for ineligible sources, and the continued acceptance of recycling from all sources at waste management facilities for a fee. However, there would be a requirement to advertise and educate impacted properties and that would be budgeted accordingly within the 2025 and 2026 operational budgets.

If there are additional incurred expenses resulting from increased volumes (beyond staff's projections), the required amounts will be funded from operating surplus or Waste



---

Management Contingency Reserve in 2026. Staff plan to monitor costs and ensure that the 2027 Operating Budget is updated accordingly to accommodate the costs ongoing.

### **Relationship to Corporate Strategic Plan**

This Item follows the direction of Environmental Sustainability, as the County continues to prioritize the diversion of materials from landfill. As well, this Item follows the Long-Term Financial Plan Principles, specifically in ensuring that long-term financial sustainability is maintained.

### **Attachments**

Schedule 1 – Draft Letter to the Minister of Environment, Conservation and Parks  
Schedule 2 – ROMA January 2024 MECP Minister Delegation Background Information

**Prepared By**                      Nikki Payne, Special Projects Supervisor  
   John Williams, Collections Supervisor  
   Laura Barrett, Collections Manager

### **Approvals**

Rob McCullough, Director, Solid Waste Management  
Rob Elliott, General Manager, Engineering, Planning and Environment  
Trevor Wilcox, General Manager, Corporate Performance  
Mark Aitken, Chief Administrative Officer

### **Date**

February 2, 2024  
February 5, 2024  
February 5, 2024  
February 6, 2024