

Gathering Input to MMSM's Transition Plan with Municipal and First Nations Communities

July 13 and 15, 2021

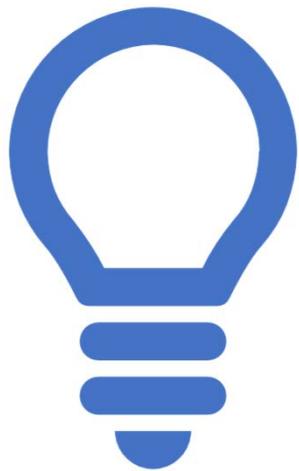


Workshop Attendees

Municipal & First Nations Representatives

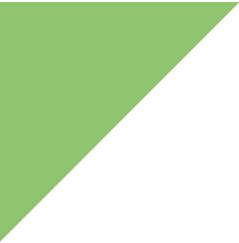
Deepak Joshi	Rural Municipality of St. Clements & WMR
Mark Kinsley	City of Winnipeg
Nick Krawetz	Assoc. Of Manitoba Municipalities (AMM)
Kathy Valentino	City of Thompson & AMM
Eldon Wallman	City of Steinbach & MARR
Pam Richardson	City of Brandon & MARR
Jacques Trudeau	R.M. of Tache
Angela Bidinosti	Indigenous Services Canada
Natalie Legasse	Winnipeg Metro Region (WMR)
Jessica Jacques	Waste Diversion & Recycling, Gov. MB
Valerie Chelangat	Municipal Relations, Gov. MB
Andrea Gallagher-Courteau	Indigenous & Northern Affairs, Gov. MB

MMSM Staff	CSSA Staff Support
Karen Melnychuk	Kent Hollister
Martin Racicot	Laurie Simpson
Kristin Houle	Catherine McVitty
Sarah Wallace	Catherine Abel



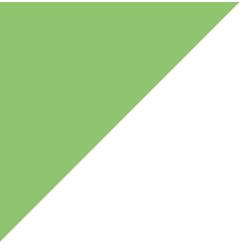
Ideas are conceptual

The ideas being presented today are conceptual and MMSM invites feedback from stakeholders.



Today's Agenda

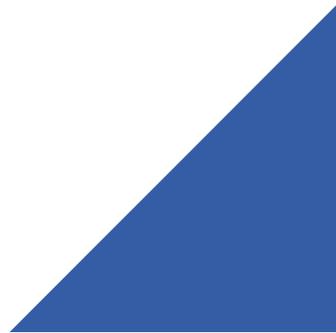
1. Today's objectives
2. Setting the context
3. Transition Plan key topics review
4. Next steps



Today's Objectives

- Gather input to the Transition Plan on the 8 key topics of interest to Municipal and First Nations communities' stakeholders
- Discuss proposed features of full EPR and what the potential transition options are
- Identify activities that may be useful to initiate

SETTING THE CONTEXT



How does it work today?

- Stewards (manufacturers, brand owners, retailers) pay up to 80% of the net costs of a participating communities residential packaging and printed paper (PPP) recycling program
- Known as shared responsibility, participation in MMSM's program is voluntary for communities
- MMSM provides technical assistance to participating communities to provide effective and efficient residential recycling services
- A participating community manages the operation of their program; however, it must enter into a service agreement with MMSM
- The community is responsible for promoting their residential recycling program and ensuring the proper recycling of all the material it collects

Roles and Responsibilities today

Ministry of Conservation & Climate

- Issues policy, direction, and approval letters
- Consults on and approves transition plans

MMSM

- Executes responsibilities under the Regulation and Act
- Provides 80% of participating communities' net cost funding to manage PPP on behalf of stewards

Stewards

- Annually report supplied quantities of PPP
- Pay fees to manage their PPP

Municipal & First Nations Communities

- Determine local program scope and waste diversion strategy
- Manage or contract collection and processing services
- Participate in MMSM's Cost Monitoring Survey process used to establish stewards' payment obligation

Roles and Responsibilities with full EPR

Ministry of Conservation & Climate

- Issues policy, direction, and approval letters

MMSM

- Execute responsibilities under the Regulation and Act with responsibility for delivering a province-wide residential recycling system that meets the performance targets outlined in the Plan
- Acts as single Manitoba PRO on behalf of stewards of packaging and paper
- Contracts with service providers for delivery of residential recycling services in participating communities.

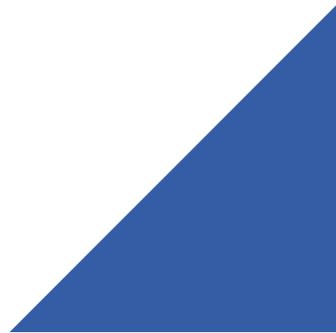
Stewards

- Annually report supplied quantities of PPP
- Pay fees to MMSM
- Assume operational and financial responsibility for the residential recycling supply chain

Municipal & First Nations Communities

- Communities participating in service delivery will have:
 - Contractual relationship with MMSM to deliver recycling services against a service standard
 - Responsibility for resident call center
- Communities where MMSM is delivering services on their behalf will have no role in the recycling services provided to their residents

PROPOSED WORKSHOP APPROACH



MMSM proposed approach to topics

1. Describe the topic
2. Share MMSM's interpretation of the topic
3. Discuss your response to our interpretation
4. Listen to your interpretation of the topic
5. Discuss how best to incorporate the topic into the Transition Plan whether there is alignment or not



Parking Lot



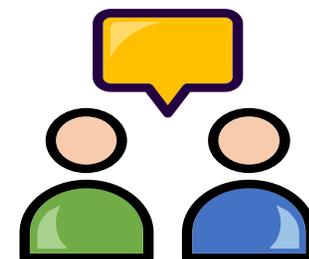
What happens after July 15?

Will you continue to work with us through July and August as we write the Transition Plan?

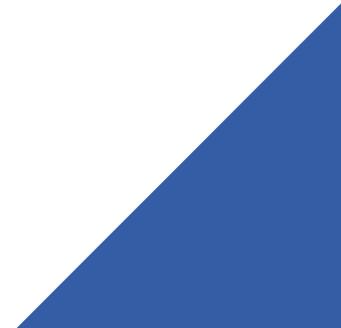
Are you available to:

- Provide feedback on specific portions of the Transition Plan – let us know if we have correctly captured your input?
- Attend periodic (weekly) meetings to review language?
- Is there a sub-committee that could continue to be engaged with MMSM through the writing process?

Draft Transition Plan will be presented to all stakeholders in late August for a 30-day consultation period.



8 TOPICS FOR DISCUSSION



8 topics were confirmed to be important at the June 28 & 29 sessions

1. Meaning and significance of full EPR
2. The shift from 'funding' to 'financing'
3. Options for communities to participate in service delivery
4. Recycling services in communities who do not want to participate in service delivery
5. Paying for services
6. Preparing for transition
7. Sequencing the transition
8. MMSM proposed program scope changes

Topic #1 – Full EPR



1. The meaning and significance of full EPR

We propose to gather your input on:

- MMSM's proposed definition of full EPR
- Ensure there is support for the meaning of 'financing'
- Ensure there is support for the meaning of 'industry-managed'

	June 28 th		June 29 th	
Question	Yes	No	Yes	No
Is an exploration on the definition of full EPR required?	85%	15%	91%	9%

Topic #1 – Full EPR

Sub-topics:

- a. What is Extended Producer Responsibility?
- b. What does industry-managed mean?
- c. What is the meaning of financing?

Sub-topic #1a – What is EPR?

- An environmental/economic policy approach in which producers take responsibility for ensuring that a product or packaging is properly managed through the post-consumer stage of its life cycle.
- Canada's provincial ministers of Environment demonstrated their support for EPR in the Canada-wide Strategy on Zero Plastic Waste by stating that:

“EPR programs are one of the most effective mechanisms to support the creation of a circular economy. They improve recycling rates, reduce litter, and create the conditions to incent efficiency and reduce costs for end-of-life management.”

- This recognition of EPR as an effective management approach was reiterated in the Minister's direction letter by recognizing the opportunity to create a full EPR program in Manitoba that takes advantage of the lessons learned by other provincial EPR programs.

Sub-topic #1a – Discussion



- An environmental/economic policy approach in which producers take responsibility for ensuring that a product or packaging is properly managed through the post-consumer stage of its life cycle.
- Do you agree with this statement of what EPR is?

Sub-topic #1b – Meaning of industry-managed

- Industry will assume operational responsibility for establishing a province-wide reverse supply chain for the collection, transportation, consolidation, processing, and marketing of residential PPP.

Sub-topic #1b – MMSM's interpretation of industry-managed

- MMSM will establish collection and post-collection contracts with all organizations who agree to deliver services to a standard at agreed upon prices including:
 - Municipalities
 - First Nations communities
 - Private waste management
- MMSM's service standards will include:
 - Maximum frequency for collection
 - Blue box supply, resident call-center support, contamination management, etc.
 - Reporting obligations of collection and post-collection service providers

Sub-topic #1b – Discussion



- MMSM will share the service standards with participating communities so there is clarity in how the service standards relate to the Plan and will help MMSM meet the Plan objectives.
- Does your interpretation of 'industry-managed' align with MMSM's?

Sub-topic #1c – Meaning of industry-financed

- Shifts costs of residential services and marketing recyclable materials from communities to producers.
- A shift from cost recovery to financing services

Sub-topic #1c – Discussion



- Does your interpretation of industry financed align with MMSM's?

Topic #2- Transitioning from Funding to Financing



2. Shift from producer ‘funding’ to producer ‘financing’

We propose to gather your input on:

- a. How shared funding differs from industry financed
- b. How a community transitions from being ‘80% funded based on cost recovery’ to ‘100% financed based on service standards’

	June 28 th		June 29 th	
	Yes	No	Yes	No
Do you agree that the transition from funding to financing is a topic for discussion?	100%	-	97%	3%

Topic #2 – Transitioning from Funding to Financing

Sub-topics:

- a. Current funding process
- b. Financing under full EPR
- c. Transitioning from funding to financing
- d. Eligible communities and ineligible costs past December 2021

Sub-topic #2a – Background - Current Funding Process

- Under the current shared responsibility model, the funding process begins with the Cost Monitoring Survey
- Eligible net costs for each community are collected
- Communities are grouped into population categories to determine the average net cost/tonne
- A three-year rolling average for each population category is calculated
- Funding rates are 80% of the rolling average and paid out quarterly the year following the last full year used in the funding process i.e., 2017/2018/2019 net costs used to determine 2021 funding

Sub-topic #2a - Discussion



- Are there any questions about how the funding process works today?

Sub-topic #2b – Financing under full EPR

- Unlike the shared funding model, when industry finances residential PPP recycling programs, it will not know the costs that municipal, First Nations communities, and private waste management companies incur to deliver those services
- Rather, industry will enter into commercial contracts with all partners who deliver services
- Contracts will outline the services to be delivered and a fair and competitive price will be determined
- Industry will pay for services as delivered

Sub-topic #2b – How MMSM sees financing under full EPR

- MMSM expects to have a contract with each municipality and First Nations community that chooses to participate in the residential recycling service delivery
- Conceptually, we are thinking:
 - Collection services will be paid on a ‘per-household’ basis for curbside and multi-family building services
 - Collection services for depots, where authorized, will be paid for on a ‘per-tonne’ basis
 - MMSM will issue RFPs to solicit competitive bids for post-collection services, such as baling, transportation, sorting, and marketing



Sub-topic #2b – Discussion

- Do you have any concerns or recommendations related to establishing commercial contracts between yourselves and MMSM?

Sub-topic #2c – Transitioning from funding to financing

- After planning, MMSM assumes it will take approximately 3 years to transition all communities to an industry-managed residential recycling system
- This means that in year 1, for example, some communities will continue to be paid based on the CMS reports and the funding bands that are determined annually and other communities will be paid on a ‘per-household’ basis



Sub-topic #2c – Financing transition example

Assume:

- Based on the CMS and funding bands, Community A will be paid \$10,000 in 2021
- Community A is paid quarterly and will receive \$2,500 per quarter as follows:
 - Payment in April for services delivered Jan-March
 - Payment in July for services delivered April – June etc.

Sub-topic #2c – Financing transition example continued

Community A chooses to deliver collection services effective July 1 of a year. This means:

- The \$2,500 payment that is due in July for services delivered in the period April – June will be paid
- No further \$2,500 quarterly payments will be made
- Payment for collection services delivered in July will be paid on the agreed per-household payment rate
 - Payment cycle – monthly or quarterly? What is the preference?

Sub-topic #2c – Discussion



- Do you understand how the old transfer payment funding stops before the new financing payment model starts?

Sub-topic #2d – Eligible communities & Ineligible costs

Eligible communities

- MMSM proposes to establish the baseline of services and communities participating in its program as of December 31, 2021
- Communities that are eligible for funding but do not participate in the MMSM program today may register their interest by December 31, 2021
- Communities that participate today but are considering expanding/changing services can register to do so by December 31, 2021

Sub-topic #2d– For eligible communities, MMSM considers some costs to be ineligible for funding during transition including:

- Service expansion after December 31, 2021
- Multi-family buildings and other ICI
 - Residential buildings 8+ stories are ineligible
(Residential building 1-7stories are eligible)
- Contract termination fees

Sub-topic #2d-Discussion



- Do you believe that December 31, 2021, is a reasonable target date for a non-participating eligible community to register with MMSM?
- What are your views on MMSM's proposal on ineligible costs?
- What would your community's preferred payment cycle be—monthly or quarterly?

Topic #3 – Service Delivery Options for Communities



3. Municipal and First Nations communities' service delivery options

We propose to gather your input on:

- a. The choices communities will have to participate in the delivery of residential recycling services
- b. The requirement for contracts and service standards to define how those services would be delivered
- c. The decision rights that would remain with communities when participating in the service delivery

	June 28 th		June 29 th	
	Yes	No	Yes	No
Do you agree that a discussion about community participation in the delivery of residential recycling services is important?	100%	-	94%	6%

Topic #3 – Service delivery options for communities

Sub-topics

- a. Options for participating in service delivery
- b. Right of first refusal, provide communities with the choice to provide collection services
- c. Standard service agreements (see appendix)
 - i. Performance standards in the agreements
 - ii. Promotion & Education
 - iii. Contamination levels
 - iv. Service issues
 - v. Decisions that remain with the community, i.e., day of collection

Sub-topic #3a – Service delivery options

There are two primary material flows today and may require different transition strategies

1. Communities that deliver to a MRF for sorting and sale from within MMSM boundary



2. Communities that bale and ship for sorting outside MMSM boundary



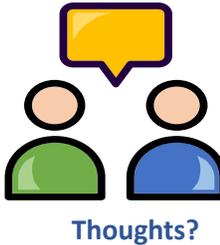
Service breakdown:

1. Collection
2. Consolidation
3. Baling
4. Transportation
5. Sorting
6. Marketing

Sub-topic #3a – MMSM’s perspectives on service delivery options

Service Area	MMSM’s perspective
Collection	Preference for municipal and First Nations community participation
Consolidation	Require more insight into contracts and material flow to ensure that the overall system is optimized
Baling	Open to community-specific discussions about best approach
Transportation	
Sorting	MMSM assumes it will contract for all post-collection
Marketing	MMSM assumes marketing of materials will be part of the post-collection contracts

Sub-topic #3a – Discussion



- What services do you believe municipalities and First Nations communities will consider most important to continue to deliver?
- Do you agree that the Transition Plan should focus service options on collection while leaving open opportunities to participate in consolidation, baling, and transportation?
- What concerns might communities have with MMSM's assumption that managing all sorting and marketing is necessary to deliver efficiencies and cost-effectiveness?

Sub-topic #3b – Right of First Refusal

- MMSM proposes to establish the community's right to continue to deliver collection services in the Transition Plan
- This right assumes:
 - Communities retain the choice to exercise this right
 - Communities accept that this means entering into a contract with MMSM to deliver services to a common provincial standard and to accept a common basket of PPP material
 - Communities accept that this means MMSM will begin paying for services based on an established price-for-service versus the current shared funding model

Sub-topic #3b – MMSM’s thoughts on the Right of First Refusal

- MMSM would like to include in the Transition Plan a requirement for communities to declare their intent to provide services (or not) by a specific date. This is necessary to contribute to the detailed plans related to timing and sequencing of the transition

Sub-topic #3b – Discussion



- What information do communities need to propose whether they want to participate or opt-out to their local governments?
- How much lead time is necessary to evaluate proposals and prepare to present to local governments?

Sub-topic #3c – Service Agreements

- MMSM proposes to implement more formal service agreements with any service provider – whether that be a Municipality, a First Nations community, or waste management company
- Service agreements are needed to standardize services for all residents of Manitoba and improve the environmental performance of the system

Sub-topic #3c – Service Agreements - Content

- MMSM proposes to include service standards such as:
 - i. Performance standards in the agreements
 - ii. Promotion & Education obligations
 - iii. Reporting obligations (scale ticket level reporting)
 - iv. Management of contamination levels
 - v. Management of service issues
 - vi. Decisions that remain with the community, i.e., day of collection

Sub-topic #3c – Discussion



Thoughts?

- When reviewing the examples provided outlining the ‘qualifications of a collector’ and the Statement of Work used by industry managing the Recycle BC program, did you consider this reasonable? Do you have any concerns?
- What support would be required for municipalities and First Nations communities to assist in their review of contracts? Is this something that AMM could coordinate to minimize cost and effort?

Topic #4 – Service Delivery in Communities that 'Opt-out'



4. Service in communities that choose not to participate in service delivery

We propose to gather your input on:

- How MMSM proposes to deliver services to residents where the municipality and First Nations community no longer want to participate in the delivery of residential recycling services
- How MMSM proposes to affect a smooth transition

	June 28 th		June 29 th	
	Yes	No	Yes	No
Do you agree it is important to understand what will happen if you opt-out of delivering collection and post-collection services in the future?	98%	2%	100%	-

Topic #4 – Service delivery in communities that 'opt-out'

Sub-topics:

- a. What it means to 'opt-out'
- b. How MMSM will ensure services are delivered
- c. Servicing your residents

Sub-topic #4a – What it means to ‘opt-out’

- Communities will decide whether they want to participate in service delivery
- When they do not, they will ‘opt-out’ of service delivery
- This means that MMSM must directly contract with waste management to ensure the collection and management of residential PPP material
- On the effective date of MMSM’s service delivery, the community will no longer receive any funding under the shared responsibility model

Sub-topic #4a – How MMSM sees assuming services when communities ‘opt-out’

MMSM proposes to include a high-level process to be followed by communities choosing to opt-out of service delivery in the Transition Plan. Process considerations:

1. Communities will need to provide MMSM with a reasonable notice period to support an orderly transition
2. MMSM will prepare the RFP(s) to promote competition and to ensure a fair and open marketplace
3. MMSM and the collector will coordinate the transition with the community representatives

Sub-topic #4a – Discussion

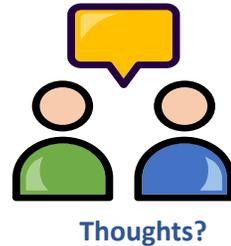


- What notice period would you support to allow MMSM sufficient time to manage the RFP process and prepare to onboard the new collector? 12 months?
- What are the key considerations for you when thinking about planning a transition from a municipally-managed residential system to an industry-managed system?
 - Residential call center support?
 - Alignment with garbage/organics collection?
 - Others?

Sub-topic #4b – How MMSM will ensure service delivery

- Upon receipt of a community's notice to 'opt-out', MMSM will issue an RFP to the market
- The RFP will outline the required service standards
- The RFP may identify the delivery location for the community's PPP and this may be outside your community boundaries
- MMSM would prefer to involve the community in the RFP process to understand:
 - If the current pick-up date can be maintained for the convenience of the resident
 - If there are any coordination concerns related to garbage pick-up and other considerations

Sub-topic #4b – Discussion



- How do you think communities that opt-out of service delivery will want to contribute to the RFP development process?
- What do you think will be the main concerns of communities who choose not to participate in the delivery of recycling services will be?

Sub-topic #4c – Servicing your residents

- MMSM recognizes that when communities ‘opt-out’ of service delivery, industry assumes responsibilities such as:
 - Provision of collection containers where required
 - Notifications related to proper material disposal, collection calendars, and other information
 - Management of resident calls

Sub-topic #4c – MMSM’s approach to resident service

- MMSM contemplates including service standards within the collection RFP to ensure high quality service to residents in communities who have ‘opted-out’ of participating in the management of PPP, including:
 - Requirement to provide a replacement collection container at a stated frequency (e.g., no more than once per x years)
 - Requirement to provide residents with a contact phone number to report missed pick-ups, request replacement collection containers, inquire about collection dates, etc.
 - Requirement to provide MMSM with records of resident calls for the purpose of continuous improvement

Sub-topic #4c – Discussion



- What are your main concerns about servicing residents in communities who opt-out of participating in the recycling system service delivery?
- What role do you see opt-out communities playing in resident support, if any?

Topic #5- Payment for Service



5. Payment for service – shift from ‘cost recovery’ approach to ‘payment to service standard’

We propose to gather your input on:

- The process for determining a fair market value for services delivered to a standard – distinct from the ‘cost recovery’ approach used today
- How MMSM sees moving away from ‘funding-bands’ to other payment terms such as per-household payment for collection services

	June 28 th		June 29 th	
	Yes	No	Yes	No
Do you agree it is important to provide input into the process for determining how prices will be established?	100%	-	97%	3%

Topic #5 – Payment for Service

Sub-topics

- a. Pricing for collection services (curbside and multi-family)
- b. Pricing for depot services
- c. Pricing for post-collection services

Sub-topic #5a – Pricing for Collection services

- As discussed in sub-topic 2b
- Experience in other provinces tells us that a range of prices can be determined that fairly compensate municipal and First Nations communities for delivering to a common set of services standards, yet differentiate the price paid when considering differences like:
 - Population density
 - Drive time to deliver PPP to a designated receiving facility

Sub-topic #5a – How MMSM sees the process of determining collection prices

- MMSM intends to outline in the Transition Plan the process it will follow to determine fair prices for collection services
- We believe that the 10+ years of CMS data will serve as a strong basis for this determination
- We propose to reference this data when developing prices-for-service
- We assume we will need 3rd party accountancy/consultant support to isolate the collection costs and introduce other data sources as needed to address differences related to varying service standards

Sub-topic #5a – Discussion



- Are you comfortable with MMSM referencing the CMS data for the purpose of proposing payments for collection services on a ‘per-household’ basis?
- Do you agree that MMSM should include a cost-research activity in the transition plan to support the determination of a ‘per-household rate’ for collection? Will communities participate in the research?
- How do you see evaluating these prices so you can determine if you want to deliver collection services?

Sub-topic #5b – Pricing for depot services

- Depot service payments will be determined to fairly compensate communities for operating depots available to the public for the purpose of disposing of PPP

Sub-topic #5b – MMSM perspective on depot services

- Depots will be paid on a per tonne basis (referencing historic cost as a basis) to receive PPP that meets a service and quality standard
- An evaluation is needed to determine if current historical costs include sufficient resources to meet the service standard and to determine what additional information / research is needed to establish the fair price

Sub-topic #5b – Discussion



- Do you consider setting a per-tonne price for depot services reasonable? If no, what other price terms do you think MMSM should consider?
- Are you comfortable with MMSM referencing the CMS data for the purpose of proposing payments for depot services on a 'per-tonne' basis?
- How do you see evaluating these prices so you can determine if you want to deliver collection services?
- What other considerations does MMSM need to include when establishing depot payments?

Sub-topic #5c – Post-Collection

- As discussed in sub-topic #3a, post-collection services can include a number of activities including:
 - Consolidation
 - Baling
 - Transportation
 - Sorting
 - Marketing

Sub-topic #5c – How MMSM sees contracting for post-collection

- MMSM is assuming that all sorting and marketing will be managed by processors contracting directly with MMSM to enable the design of a provincial system with improved environmental outcomes
- MMSM is unsure about how/if municipalities and First Nations communities managing consolidation, baling, and transportation may want to continue these services
- MMSM recognizes that these services may offer the best approach to small and remote communities

Sub-topic #5c – Discussion



- How do you see us going about assessing the value of maintaining some community supported consolidation, baling, and transportation services?
- Do you see any roadblocks to including in the Transition Plan consideration for special-purpose contracts where pricing may be different than the standard?

Topic #6 – Preparing for Transition



6. Preparing for transition

We propose to gather your input on:

- The information that will be needed to get ready to transition from community-managed recycling services to industry-managed recycling services e.g., contract dates, assignment rights, etc.
- How easy/difficult it will be for you to provide the necessary information to inform the data-gathering timeline

	June 28 th		June 29 th	
	Yes	No	Yes	No
Do you agree it is important now to know what information will be required to prepare for transition?	94%	6%	100%	-

Topic #6 – Preparing for Transition

Sub-topics:

- a. Eligible communities' participation in service delivery
- b. Data gathering (e.g., contract terms)
- c. Identify regional opportunities
- d. Municipal/First Nations communities' preparation (e.g., bylaw or council approvals required)

Sub-topic #6a – Eligible Communities

As discussed in sub-topic #2d, communities eligible to transition to industry managed and financed are:

1. Those who are currently registered with MMSM
2. Non-registered eligible communities who register before December 31, 2021

Sub-topic #6a – Eligible Communities

- To develop the phased Transition Plan, MMSM will need to know how all eligible communities wish to have the residential recycling services delivered
 - Do eligible municipal/First Nations communities wish to participate in service delivery?
or
 - Does the eligible community want MMSM to contract for all services – collection through to processing?

Sub-topic #6a – Discussion



- For an eligible community to declare whether it wants to participate in service delivery or have MMSM contract for all services, what information is needed and what process would you need to follow?

MMSM wants to ensure that the Transition Plan reflects the time needed by all stakeholders is reasonable and to ensure that information needed to support decisions is understood.

Sub-topic #6b – Data Gathering

- MMSM's database has extensive information regarding collection methods, service providers and service agreement/contract terms (where applicable). Communities will need to confirm their service agreements/contact terms in order to ensure complete accuracy

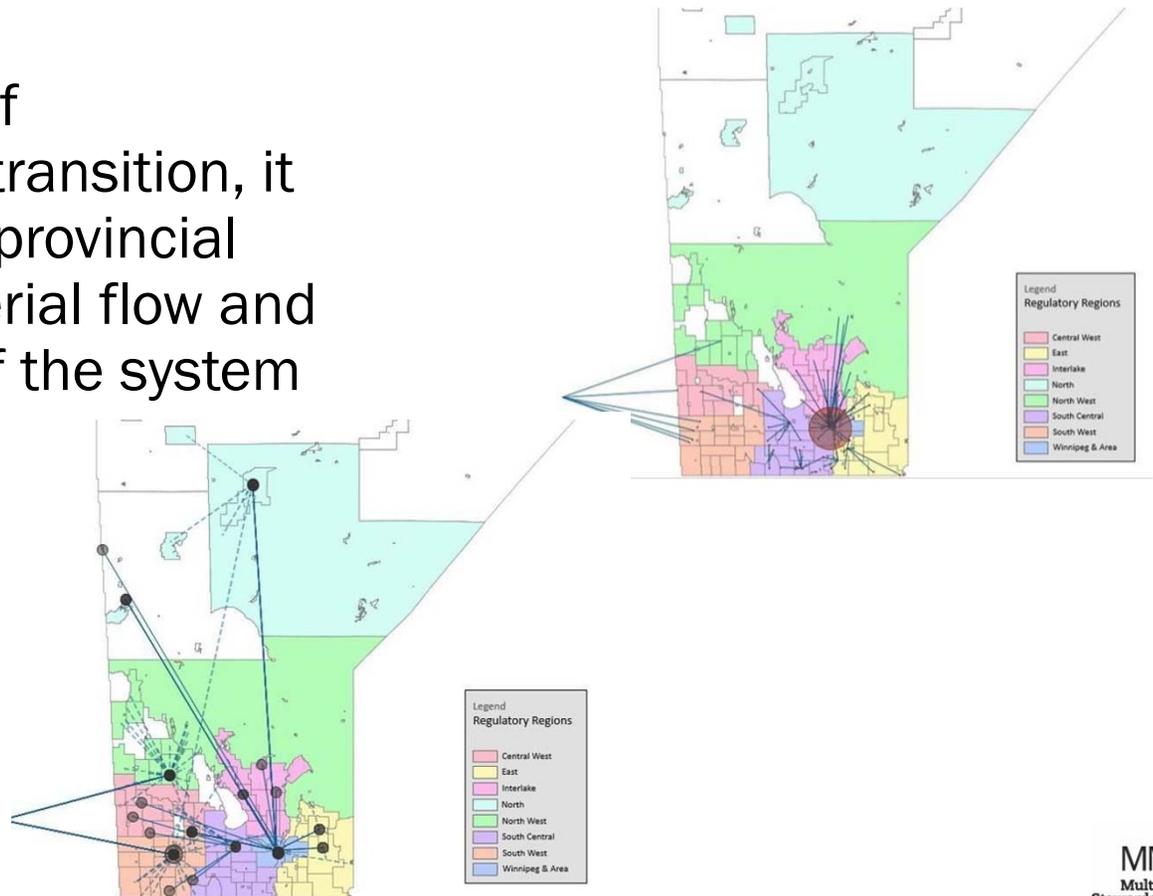
Sub-topic #6b – Discussion



- Do you see any constraints to sharing all necessary contract details to enable MMSM to prepare a detailed Transition Plan?

Sub-topic #6c – Identifying Regional Opportunities

- Once MMSM has a list of communities eligible to transition, it can begin to design the provincial system to optimize material flow and the cost-effectiveness of the system



Sub-topic #6c – Identifying Regional Opportunities

- MMSM will seek to design the flow of material in Manitoba that leverages efficiencies and opportunities
- MMSM is considering the term ‘catchment’ to describe a group of communities whose collected PPP will naturally flow to a post-collection manager where:

Catchment means a logical cluster of communities that will constitute the geographic service boundaries for post-collection.

Sub-topic #6c –MMSM views on identifying regional opportunities

- MMSM will consider each community in the context of several catchment design criteria that include, physical geography, volumes of PPP available, existing infrastructure, and proximity of that community to other communities who have declared their intention to transition
- These considerations will be used to prepare preliminary catchment boundaries and a catchment transition sequencing proposal in preparation for discussion with communities in the waste management industry

Sub-topic #6c – Discussion



- Do you support the proposed method of catchment boundaries?

Sub-topic #6d – Discussion



Bylaw & Council Approvals

- MMSM needs to understand the process in which full EPR will need to be presented to council.
- Does council need to pass a resolution? How much time is needed?
- Sufficient notice provided to service providers to make necessary financial and operational preparations

Topic #7 – Transition Sequence for Municipal and First Nations communities



7. Transition Sequence for Municipal and First Nations communities

We propose to gather your input on:

- The options available to determine how to sequence the transition of communities from the current state to full EPR – i.e., how will it be determined who goes first?

	June 28 th		June 29 th	
	Yes	No	Yes	No
Do you agree the principles for determining sequencing are important?	96%	4%	97%	3%

Topic #7 – Transition Sequence

Sub-topics:

- a. Transition considerations
- b. Transition sequencing

Sub-topic #7a – Transition Considerations - Definitions

Transitioning from the current shared responsibility model to full EPR needs to be achieved in an orderly manner to ensure no disruption to residents

- Transitioned communities are those for which MMSM has assumed responsibility for the collection, management, and financing of PPP (whether or not the municipality and First Nations communities are participating in service delivery)
- Non-Transitioned communities are those that continue to deliver PPP collection and management services to residents under the current shared responsibility model

Sub-topic #7a – Transition Considerations

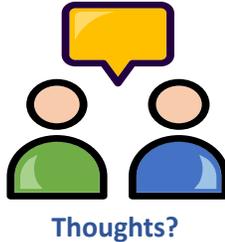
- As discussed in sub-topic #6c, MMSM will have completed the design of the provincial residential PPP system when eligible communities, contract terms, and effective material flows have been identified for each ‘catchment’
- The next challenge will be to include those considerations that will impact the sequencing of each eligible community’s transition

Sub-topic #7a – Transition Considerations

- For purposes of this discussion, let's assume:
 - The transition to full EPR will occur over a four-year period including one year for planning, procurement, and contract management
 - There is a reasonable balance in each year of the count of communities to transition to maintain the stability of the residential PPP system



Sub-topic #7a – Discussion



MMSM proposes that the Transition Plan include a description of the considerations that will influence the sequence by which eligible communities will transition from the shared responsibility model to the full EPR model. These include:

- Consideration for natural termination and renewals of contracts where possible in the event the community ‘opts-out’ of providing service
 - Where the community wishes to participate, the contract renewal challenge is that the community may not yet know the final payment per-household for collection
- Consideration for when communities, when transitioned together, can create scale to advance cost-efficiency and improve environmental performance
- Others?

Sub-topic #7a – Discussion continued



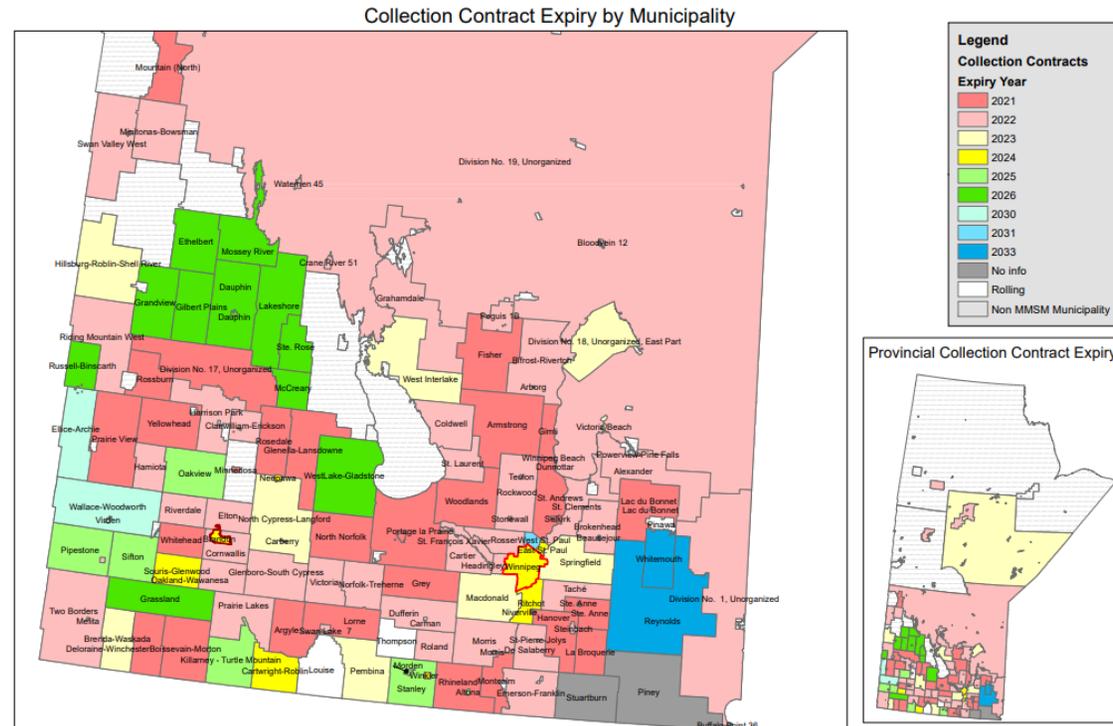
Do you see the four-year transition timeline as reasonable – one for planning and three for implementation? If no, what do you propose?

Sub-topic #7b – Transition Sequencing

MMSM anticipates it will take 3 years (following one year for planning) for all eligible communities to fully transition.

- Transition sequence will aim to ensure there is no disruption of current collection services to residents
- Transition sequence will consider MMSM's and the community's capacity to manage the transition of services
- Determining a transition sequence that will minimize any incremental contract or service agreement expenses

Sub-topic #7b – Transition complexity is minimized when communities retain collection responsibility



Sub-topic #7b – Discussion



- MMSM data indicates that the majority of service agreements and contracts expire in 2021 and 2022
 - Based on the information: how would you recommend transitioning of all eligible communities?
- What options are available to determine how to sequence the transition of communities – i.e., how will it be determined who goes first?

Topic #8- Potential MMSM Program Changes



8. Potential MMSM program changes

We propose to gather your input on:

- MMSM's proposal to expand the scope of materials collected with an aim to improving environmental outcomes
- Implement GHG reporting
- The impacts on communities that choose to participate in the delivery of residential recycling services such as new reporting requirements

	June 28 th		June 29 th	
	Yes	No	Yes	No
Do you agree your input is needed on program scope changes?	96%	4%	100%	-

Topic #8 – Potential MMSM Program Changes

Sub-topics

- a) Expanding list of materials accepted for collection
- b) GHG reporting
- c) Impact on communities with changes to reporting requirement

Sub-Topic #8a - Expanding list of materials collected

- Establish a list of materials that are targeted for collection in all transitioned communities because they can be sorted and have end markets
- Continually look for opportunities to expand list of materials for collection as end markets are developed
- Following full transition, look at opportunities to invest in expanding capabilities for collecting and managing a wider range of materials.

Sub-Topic #8a - MMSM's view on expanding the list of materials collected

Expanded list of materials for collection across all programs will help:

- Deliver improved environmental performance
- Opportunity for province-wide promotion and education on recycling with potential to reduce contamination
- Assist producers meet their packaging sustainability goals
- Work toward a broader list of materials for collection in order to keep pace with new materials introduced to the marketplace

Sub-Topic #8a - Discussion



Thoughts?

What are your views on implementing an expanded list of materials for collection across all participating communities?

Sub-topic #8b – Greenhouse Gas Reporting

What is Green House Gas Reporting? (GHG)

- The proposal for GHG reporting is part of Canada's ongoing effort to develop a harmonized and efficient mandatory greenhouse gas reporting system in collaboration with the provinces and territories.
- Key objectives of the program are to:
 - Provide Canadians with consistent information on greenhouse gas emissions
 - Inform greenhouse gas emission estimates in the National Greenhouse Gas Inventory by industrial sectors
 - Support regulatory initiatives of the federal government

Sub-Topic #8b – Greenhouse Gas Reporting

GHG reporting helps assess overall environmental performance in a number of ways:

- Supports accurate tracking of GHG emissions
- Contributes to policies and strategies related to climate change, industrial activities, and energy use
- Provides a consistent, more precise picture of the issue as it relates to the delivery of recycling services
- Over time allows MMSM to track GHG emissions performance and identify opportunities for reductions

If adopted, this will require participating transitioned communities to be involved in tracking and reporting GHG emissions associated with the services they provide

Sub-topic #8b – Discussion



- What are your views on including in the Transition Plan a recommendation that once all participating communities have transitioned to full EPR, MMSM implement a GHG reporting and tracking system?
- If your communities choose to deliver services do you think you would participate in tracking and reporting GHG emissions associated with the recycling service you deliver?

Sub-Topic #8c – Potential changes to reporting requirements

- Transitioned communities will be required to report in real time vs the current model which is typically once every month/quarter.
 - MMSM will work with communities and their finance representatives to ensure a clear understanding of how payments are made
- Non-transitioned communities will continue with CMS reporting but once transitioned CMS reporting will end

Sub-Topic #8c – Discussion



- What are your thoughts on the impacts of changes in reporting requirements on communities that choose to participate in the delivery of residential recycling services?

What happens now?

Will you continue to work with us through July and August as we write the Transition Plan?

Are you available to:

- Provide feedback on specific portions of the Transition Plan – let us know if we have correctly captured your input?
- Attend periodic (weekly?) meetings to review language?
- Is there a sub-committee that could continue to be engaged with MMSM through the writing process?

Draft Transition Plan will be presented to all stakeholders in late August for a 30-day consultation period.





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