



Summary Notes: July 13 and 15 Workshops with Municipal and First Nations Community Representatives

On July 13 and 15, MMSM met with representatives of municipal and First Nations communities for two in-depth, interactive workshops to review and seek feedback on specific aspects of the MMSM Transition Plan to full EPR. The Municipal and First Nations communities' webinars held on June 28 and 29 confirmed that more discussion and input were required on eight aspects of the Transition Plan that are of specific interest to municipal and First Nations communities. Those eight areas of interest are:

1. Meaning and significance of full EPR
2. The shift from 'funding' to 'financing'
3. Options for communities to participate in service delivery
4. Service Delivery in communities that opt-out
5. Payment for service
6. Preparing for transition
7. Transition sequence
8. MMSM proposed program scope changes

Individuals representing the following communities or organizations participated in either one or both days' discussions:

Rural Municipality of St. Clements & Winnipeg Metro Region (WMR)	City of Winnipeg	Assoc. Of Manitoba Municipalities (AMM)	City of Thompson & Association of Manitoba Municipalities
City of Steinbach & Manitoba Association of Regional Recyclers (MARR)	City of Brandon & Manitoba Association of Regional Recyclers (MARR)	Regional Municipality of Tache	Indigenous Services Canada

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Winnipeg Metro Region (WMR)	Manitoba Department of Conservation & Climate, Waste Diversion & Recycling Branch	Manitoba Department of Municipal Relations	Manitoba Indigenous & Northern Affairs
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The following are the notes from the two workshops:

	MMSM’s Proposal for the Transition Plan to Full EPR	Municipal/ First Nations Feedback & MMSM Responses
1. Understanding of Full EPR:	<ul style="list-style-type: none"> MMSM presented its definition of EPR as 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. MMSM interprets full EPR to be a system fully operated and financed by industry. 	<ul style="list-style-type: none"> Representatives agreed with this definition and MMSM’s interpretation noting the definition aligns with that of the CCME. Representatives accepted this interpretation of full EPR with expectation that the system fully operated and financed by industry will deliver the same recycling services residents currently enjoy.
2. Transition from Funding to Financing	<ul style="list-style-type: none"> MMSM confirmed an understanding of the current 80% funding model and the application of three-year rolling average for each population category. 	Representatives expressed an agreement and understanding of current funding model and how this would evolve from a funding to a financing model, with commercial contracts, under full EPR.

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- Eligible Communities	<ul style="list-style-type: none"> • With the transition to full EPR this funding model would be phased out in favour of commercial agreements between MMSM and each of the communities that choose to act as collection service providers. MMSM intends to pay its collectors a fair and competitive price for services provided against a set of standards. • During a planned three-year transition period, non-transitioned communities would continue to be paid on the current 80% funding basis while those communities that have transitioned to full EPR would be paid on the new contractual basis. 	
- Ineligible Costs	<ul style="list-style-type: none"> • Eligible communities include those that are currently part of the MMSM program as well as those communities not part of the current program but that provide notice to MMSM of their interest in joining the full EPR program by December 31, 2021. 	<ul style="list-style-type: none"> • Representatives agreed to this approach to eligible communities

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	<p>Ineligible costs under full EPR include:</p> <ul style="list-style-type: none"> • Multi-family buildings with 8+ units • Contract termination fees • Changes or expansions to current programs undertaken after December 31, 2021, would not be eligible for financing under full EPR 	<ul style="list-style-type: none"> • Representatives expressed concern with the proposed definition of ineligible multi-family buildings given the number of multi-family buildings in the larger municipalities which are comprised of eight or more units and are part of the current MMSM program. • MMSM committed to further explore the definition of multi-family buildings. • Representatives indicated their understanding that any plans by current MMSM communities to expand or change their program should immediately begin working with MMSM staff to determine eligibility of anticipated program changes to ensure they meet MMSM’s current definition of efficient and effective.
<p>3. Service Delivery Options for Communities</p>	<ul style="list-style-type: none"> • MMSM proposes to include in the Transition Plan the assignment of the ‘right of first refusal’ to communities to choose if they would like to continue to deliver recycling services to their residents on behalf of MMSM. 	<ul style="list-style-type: none"> • Community representatives agreed with that approach but indicated the need to understand the terms of the contract and service standards to which they would be agreeing in order to make a decision on participation. • MMSM assured communities that they would be provided with all the information they need to allow their colleagues and councils to make an informed decision including the service standards and the price being offered on a per household and per tonne basis. • It was noted that exceptional circumstances exist in some communities where specific services are delivered to a community of residents under a separate arrangement from the rest of the municipality and those ‘legacy arrangements’ would have to be taken into consideration by MMSM.

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<p>4. Service Delivery in Communities that Opt-Out</p>	<ul style="list-style-type: none"> • MMSM presented its proposal for including in the Transition Plan on how services would be provided to the residents of communities that choose not to participate in the delivery of collection services on behalf of MMSM under the full EPR program. • MMSM would issue an RFP and contract services from the private sector for recycling collection in that community. 	<ul style="list-style-type: none"> • Representatives agreed with this approach on the condition that MMSM would strive to ensure that services delivered by a private contractor would not be diminished from the services residents currently enjoy. • MMSM explained that it would strive for minimal disruption from current services but noted that ‘no disruption’ did not necessarily mean providing exactly the same service as today. • Questions arose about how resident complaints or calls would be managed if there was a separate service provider for recycling vs garbage/organics collection. The contractor providing the service would be responsible for the resident calls and the costs of that service would not be borne by the community. • MMSM looked at experience in other jurisdictions where residents had two different service providers for recycling and garbage/organics and reported back that it generally took residents just a few months to get used to calling two different numbers for missed recycling or garbage service. MMSM further noted that there are opportunities to explore automatic forwarding of calls related to recycling services to the MMSM resident line where the community has a phone system with this capability. • A question was raised about how MMSM would ensure steward compliance to guarantee adequate levels of funding for the program – particularly in those communities where MMSM was providing service to residents and hoped that compliance would be part of the Transition Plan.

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		<ul style="list-style-type: none"> • MMSM explained that compliance and enforcement are a Ministry responsibility but that it would be referenced in the Transition Plan.
<p>5. Payment for Service</p>	<ul style="list-style-type: none"> • Whether the community or a private waste management company was delivering collection services, MMSM proposed that the Transition Plan include the process by which a set of prices would be established for the delivery of services. MMSM is proposing a per household payment for curbside delivery and a per tonne payment for depot service. • Taking into account experience in other programs, MMSM proposed that a range of prices be set that fairly compensates municipal and First Nations communities for delivering to a common set of services to a set of established standards, while offering differentiated prices that take into consideration factors such as population density, and drive time to deliver material to a designated receiving facility. • MMSM recommended using the available 10+ years of CMS data as it 	<p>Communities expressed support for this approach on the condition that the established prices (both per household and per tonne) take into consideration operating and overhead costs not just material management costs.</p>

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	<p>would serve as a strong basis for developing prices-for-service; additional cost studies would be conducted to isolate collection costs and take into consideration other data sources to address differences related to varying service standards.</p> <ul style="list-style-type: none"> • MMSM proposed that it would contract for all post-collection services. 	
<p>6. Preparing for Transition</p>	<p>The Transition Plan will include a timeline that accounts for the time and process required by communities to assess its options for participating in service delivery or opting out.</p> <ul style="list-style-type: none"> • MMSM was seeking feedback from communities on what a reasonable timeframe would be for municipal and First Nations staff to be able to discuss and make decisions with their stakeholders on the transition plan its various financial, contractual, and operational considerations through the decision-making process. • MMSM noted that those communities that choose to deliver collection services 	<ul style="list-style-type: none"> • It was acknowledged that different communities require different amounts of time for this decision-making process and that it could take anywhere from 3 months to 12 months to complete the process. • The timeframe required is somewhat dependent upon the ability to place the matter(s) on committee and council agendas and the frequency of those meetings. It was suggested that this timeframe could be compressed for smaller rural municipalities.

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- Process and Timing for Municipal Decision Making	on behalf of MMSM would potentially be able to modify their existing contract to meet the MMSM service standards which could reduce the complexity of transitioning to full EPR.	
- Sharing Municipal Data	<ul style="list-style-type: none"> In order to develop an appropriate transition timeframe, communities were asked about their willingness to share with MMSM their existing contract details so there is clarity on service standards and other terms, allowing MMSM to plan for a smooth transition. 	Representatives agreed to share their collection contracts with MMSM to help inform the Transition Plan.
- Catchment Approach to Transition	<ul style="list-style-type: none"> When 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. MMSM will seek to design the flow of material in Manitoba that leverages efficiencies and opportunities and is considering the term ‘catchment’ to describe a group of communities whose 	<ul style="list-style-type: none"> Communities agreed with MMSM’s proposed three-year transition plan (plus one year for planning) and the catchment area or regional approach. Communities also agreed with the logic of considering the phasing of each community in the context of the factors presented such that there is efficient movement of recyclables and minimal duplication in routes travelled by collection vehicles. It was also discussed and acknowledged that communities or MMSM could choose to collaborate with surrounding municipalities on the procurement of collection services to take advantage of the economies of scale available with larger collection areas.

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	<p>collected PPP will naturally flow to a post-collection manager.</p> <ul style="list-style-type: none"> • MMSM would 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. 	
<p>7. Transition Sequence</p>	<ul style="list-style-type: none"> • MMSM shared the factors it would consider when sequencing the transition of communities over a three-year period including: <ul style="list-style-type: none"> - Consideration for natural termination and renewals of contracts where possible in the event the community ‘opts-out’ of providing service. - Opportunities to create scale to advance cost-efficiency, minimal disruption in services and - opportunities to improve environmental performance. • It was noted by MMSM that contract expiry is pertinent to those communities 	<ul style="list-style-type: none"> • Community representatives indicated support for MMSM’s proposal for sequencing communities over three years. • Communities acknowledged that these factors are reasonable but asked that MMSM consider that those communities that are prepared and keen to transition should be permitted to do so whereas those that would prefer to complete their existing contracts should be permitted to do so as well. • It was confirmed that the way in which the ‘readiness’ of a community is determined needs to be fully addressed in the Transition Plan. • Communities acknowledged that transition complexity is minimized when communities retain collection responsibility and look at the opportunity to amend their current contract.

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	<p>that opt-out of providing service on behalf of MMSM which will require MMSM to issue an RFP and enter into a new contract on their behalf.</p> <ul style="list-style-type: none"> • Those communities that choose to deliver service on behalf of MMSM would have the opportunity to amend their existing contract to meet the MMSM service standards reducing complexity of transitioning. • MMSM reinforced that the workshop discussions were conceptual and there is no recommended action related to existing contracts pending plan approval by the Ministry. 	

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<p>8. Program Changes</p> <ul style="list-style-type: none"> - Expanded list of materials for collection 	<p>MMSM presented the proposed program changes to be included in the Transition Plan including:</p> <ul style="list-style-type: none"> ○ Expanding the existing list of materials for collection ○ GHG reporting ○ Change in how communities will report to MMSM. <ul style="list-style-type: none"> • In transitioned communities, MMSM proposes standardizing and expanding the list of collected materials to include all materials that can be sorted and have end markets. • MMSM proposes an approach that would continually look for opportunities to expand list of materials for collection as end markets are developed and once all communities are transitioned, seek opportunities to invest in expanding capabilities for collecting and managing a wider range of materials. 	<ul style="list-style-type: none"> • Communities agreed with expanding the list of materials for collection given that the objective of Manitoba and municipalities is to divert more materials from landfill. • Representatives noted the increased cost associated with collecting an expanded list of materials and looked for assurance that producers would contribute to paying for the management of those additional materials. • MMSM clarified that stewards pay for all the materials they put into the marketplace regardless of whether they are targeted for collection and that stewards would like to see a wider range of their materials collected from Manitoba households. • MMSM also clarified that an expansion of materials for collection would include only those materials coming from residential households and would not include any ICI materials such as farm recyclables.

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<ul style="list-style-type: none"> - GHG reporting 	<ul style="list-style-type: none"> • MMSM put forward a recommendation that once all participating communities have transitioned to full EPR, MMSM implement a GHG reporting and tracking system. • Over time it would allow 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. 	<ul style="list-style-type: none"> • It was confirmed that some communities are already collecting GHG data in order to calculate the GHG emissions associated with their services but acknowledged that this is a complex exercise. • MMSM assured communities that the data they would be asked to report is data they have ready access to such as fuel consumption for collection vehicles, distance travelled and that MMSM would engage external expertise to take that data and do the GHG calculation. • Based on that understanding and that the requirement for reporting this data would not take place for 4+ years, communities were in general agreement that this is the way of the future and it would participate in providing this data to MMSM.

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<ul style="list-style-type: none"> - Change in reporting requirements 	<ul style="list-style-type: none"> • MMSM advised representatives that under full EPR, transitioned communities would be required to report in real time which is a change from the current cost recovery model. • Reporting would typically be once every month/quarter. • MMSM is willing to work with communities and their finance representatives to ensure a clear understanding of how payments are made. 	<ul style="list-style-type: none"> • Community representatives understood how reporting would evolve and the reason for the change in reporting with the transition to full EPR. • Communities were in general agreement that they would prefer payments from MMSM on a quarterly basis vs. monthly.