

REPORT

To: Solid Waste Committee Date: April 2, 2020

From: Paulo Eichelberger, General Manager of Environmental Services

Subject: Recycle BC and Commingled Curbside

RECOMMENDATION:

That the Solid Waste Committee receive the report titled "Recycle BC and Commingled Curbside" for discussion.

BACKGROUND/RATIONALE:

As the Committee members will recall, the recycling component of the Solid Waste Budget has been of concern due to increasing costs of recycling. To that end, staff has been continuously examining options to reduce costs of recycling while continuing to provide service to our residents. A business case (attachment 1) has been developed and presented to Recycle BC (RBC) that outlines a hybrid collection system for low population density regional districts to work within their current program.

Referring to attached business case, the proposed hybrid program involves inserting the PRRD in place of incorporated municipalities and rural unincorporated communities as the direct point of contact with RBC, representing a "community" of 63,000 residents.

Upon compiling the business case, staff reached out to the PRRD's private recycling contractor to discuss their role as a key stakeholder in this hybrid program, should it move forward. The contractor is open to the idea at this point.

On March 23, 2020, staff had a conference call with RBC to discuss the proposed hybrid program, highlighting operational efficiencies which could be realized through the business case as presented. This program could offer a way for RBC to function within low-population density regional districts, which has been a challenge in B.C.

Below are the highlights of the discussion:

- RBC will only work with incorporated municipalities that meet 4.3.5 of their Recycling Steward Program for curbside recycling.
- With respect curbside recyclables and PRRD municipalities:
 - Dawson Creek is part of "Phase 5" of RBC's plan to add on new members and they will be re-approaching the City in upcoming months.
 - o Fort St. John remains on the list of candidates to be re-approached and on-boarded.
 - Pouce Coupe will not be eligible as they do not meet the current criteria.
 - o Tumbler Ridge could potentially be on-boarded, pending current criteria.

Staff Initials: Dept. Head: Ptdl Page 1 of 3

• The hybrid program will not be considered by RBC as it does not fit in the current Recycling Stewardship Plan.

The outcome of the conversation was unfortunate, as it would have been beneficial to pilot this program as proof of concept that could later be implemented across the Province. Gains which could have been realized under this hybrid model are:

- Reduced recycling subsidy for taxpayers in the region:
 - Currently, the taxpayer pays twice: once for the eco-fee at purchase (EPR¹ funding) and once through taxation² (regional recycling program).
- The model opens the door to future collection of residential depot material currently handled through the private recycler.
- Extends RBC's effectiveness in regional districts, regardless of their location in B.C.
- Opportunity for Province-wide implementation where low-density populations exist that current do not have the same access to RBC as high-density areas.

ALTERNATIVE OPTIONS:

1. That the Solid Waste Committee provide alternative direction.

STRATEGIC PLAN RELEVANCE:

- Partnerships
- □ Responsive Service Delivery

FINANCIAL CONSIDERATION(S):

Through the Recycle BC program there are fixed revenue offsets for accepted materials for both marketing and collection. For baled curbside commingled material alone, marketing value is \$170/tonne and collection is approximately \$36 per year per household.

Based on 2019 tonnages at \$170/tonne, this translates to \$205,292 for market revenue versus a loss of \$228,498 at current market rates. Net change for market value would be \$429,790 in favor of the PRRD.

Additionally, there are a combined 11,860 bins (one for each household) that collect commingled curbside recyclables in Pouce Coupe, Dawson Creek, and Fort St. John. Based on \$36 per household, this translates to an estimated collection offset of \$426,960 to the PRRD.

If both the marketing offset and the collection offset were accepted by RBC, the total net reduction in recycling costs to the PRRD could be \$856,750.

COMMUNICATIONS CONSIDERATION(S):

None identified.

OTHER CONSIDERATION(S):

¹ Extended Producer Responsibility – under the Recycling Regulation, producers of packaging and printed paper are required to cover 100% of the cost of capturing "their material." However, this is not possible due to economies of scale throughout the province.

² \$0.0274 per assessed \$1,000, based on 2019 actuals.

To move forward as presented, the Regional District would have to coordinate with municipalities operating curbside collection of recyclables in order to ensure contamination rates are minimized prior to full implementation into the hybrid program.

Attachments:

1. RBC Curbside Business Case.

The Peace River Regional District (PRRD) has approximately 63,000 residents living in 120,000km². Recycling in the Region is handled two ways, either through a private contract, or through Recycle BC Depots. The PRRD has been a contractor on behalf of Recycle BC (RBC) since November 30, 2013. Currently there are 10 designated RBC Depots and 3 satellite sites that operate at Rural Transfer Station sites within the Region.

In 2019, a total of 4,657 tonnes of recyclables was diverted from landfills in the PRRD. Of that, only 130 tonnes or 2.8% was contributed from RBC depots in the region. The remaining 4,527 tonnes was processed by the PRRD's private recycling contractor and is split 50/50 from residential and commercial sources. Currently there are no RBC Depots in 6 of the 7 municipalities in the PRRD. The majority of the residential recycling stream within these municipalities are being handled by the private contractor outside of the RBC program. It is recognised that a successful model for Rural Regional Districts with low population densities, especially in northern BC, has been a challenge for RBC.

In an effort to address this challenge, and provide increased access to RBC in our region, the PRRD has a proposal to address service access challenges for our 65,000 residents. The idea is to establish the PRRD as a single source point of contact for RBC in the region. In this scenario, the PRRD would coordinate directly with RBC for the consolidation of residential recyclables from depots and curbside collection programs within the entire Region. The material processed by the private recycler on behalf of the PRRD is collected through:

- 1. Depot Collection (Residential/Commercial)
- 2. Commingled Curbside (Residential)

Recognising that the private contractor does collect materials from both residential and ICI sources, we believe that we should first target commingled curbside recyclables as they are strictly residential in nature and are easily isolated from ICI materials collected in the depots. Further, the recyclables collected in the commingled curbside programs are PPP materials and should be included in the RBC program. Below is an overview of curbside statistics and a framework of how the interaction between RBC, the PRRD, and remaining entities would work.

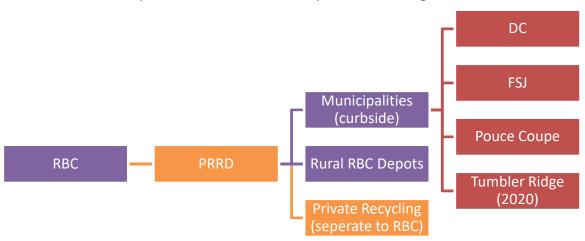
<u>Commingled Curbside Collection in the PRRD</u>

Currently there are 3 municipalities that offer curbside collection for commingled recycling in the Region since 2016. These programs closely follow the RBC program in that they do not allow plastic bags, films, glass, and styrofoam to be collected in the commingled curbside container. The 3 municipalities provide curbside collection for their residents (weather through a private contract or by municipal staff) which is consolidated at a central point. From there, the material becomes the responsibility of the PRRD. The material is sorted of contaminants, baled, and collected by a private contractor who then arranges to have it shipped to market. The table below illustrates the tonnages collected in 2019:

| Municipality | Population (Stats Canada 2016) | Households Serviced | Commingled Tonnage | Consolidation Point |
|---------------------|--------------------------------------|------------------------|-----------------------|------------------------|
| Fort St. John | 20,155 | 6,816 | 716 | R3 Recycling |
| Dawson Creek | 12,178 | 4,694 | 458 | DC Recycling |
| Pouce Coupe | 792 | 350 | 34 | DC Recycling |
| Totals | 33,125 | 11,860 | 1,208 | |

Additionally, the District of Tumbler Ridge will begin to provide commingled curbside collection for their residents in 2020. At this time it is estimated that 190 tonnes of residential recyclables will be captured through their curbside program annually.

In order to capture these 1,400 tonnes under the RBC program, we proposed that the PRRD becomes the central point of contact for RBC as per the following structure:



The material will be collected, sorted, and baled by the private recycling contractor on behalf of the PRRD. The PRRD would look to RBC to market the baled material and provide the collection offset for the 11,860 (plus Tumbler Ridge) residential properties serviced in the region.

Depot Collection in the PRRD

The remaining 3,319 tonnes of recyclables collected by the private contract was done so through a series of depots in the region. This material is currently a mix between residential and ICI sources, in 2019 the composition was approximately 30% (996 tonnes) residential and 70% (2,323 tonnes) For the residential material collected, the total 996 tonnes PPP that could potentially be included into the RBC program. This additional material can be discussed at a later date.

In closing, the addition of the Region's commingled curbside material into the RBC program as described could prove to be a viable solution for low population density Regional Districts. The method proposed closely follows the "New Curbside Programs (4.3.5)" guideline from the Packaging and Paper Product Extended Producer Responsibility Plan as it meets all the criteria if we look at the Regional District as the community being serviced by RBC.

Additionally, the inclusion of this material would boost the Operational Effectiveness Indicator within the PRRD that RBC reports on annually. In 2019 the 130 tonnes of PPP material were collected in the PRRD through the current RBC program equates to a per capita rate of only 2.06kg/capita. The addition of the approximately 1,400 tonnes of commingled curbside material boosts the per capita rate to 22.7kg/capita captured in the PRRD. This also brings the RBC program significantly closer to the regional target of 40kg/capita.