

## MEMORANDUM

TO: Environmental Services Committee

FROM: Erin Mahoney, Commissioner, Environmental Services

DATE: June 20, 2012

RE: **Changes Announced by the Ministry of the Environment for Municipal Hazardous or Special Waste program delivery**

---

On May 31, 2012, the Ministry of the Environment wrote to the Association of Municipalities of Ontario (AMO) informing municipalities that as of October 1, 2012 a selected not-for-profit organization will commence program delivery for Municipal Hazardous or Special Waste (MHSW) Phase 2, to be funded by the Province. The letter also stated that Phase 3 MHSW materials management would become the responsibility of municipalities.

The Region's agreement with Stewardship Ontario for managing Phase 1 MHSW came into effect on January 1, 2012. Based this agreement, industry stewards are responsible for approximately 65 per cent of Phase 1 costs. This arrangement does not change as a result of the recent announcement.

The table below provides a summary of the MHSW program including current and proposed program funding sources.

| Phase   | Sample Materials                                                                                                    | % of MHSW collected by York Region | Funding                                       |                                                               |
|---------|---------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------|---------------------------------------------------------------|
|         |                                                                                                                     |                                    | Current                                       | Proposed                                                      |
| Phase 1 | Antifreeze, fertilizers, oil containers, paints/coatings, pesticides, single use batteries, solvents                | 70%                                | Industry Stewards through Stewardship Ontario | Industry Stewards through Stewardship Ontario                 |
| Phase 2 | Rechargeable batteries, fire extinguishers, fluorescent lights, mercury containing devices, pharmaceuticals/ sharps | 5%                                 | Province through Stewardship Ontario          | Province through not-for-profit agency beginning Oct. 1, 2012 |
| Phase 3 | Other: flammables, toxics, corrosives, irritants                                                                    | 25%                                | Province through Stewardship Ontario          | Municipalities                                                |

The Region expects full reimbursement from Stewardship Ontario of all eligible Phase 2 costs incurred to September 30, 2012. As of October 1, 2012, the new program administrator will be responsible for program reimbursements for Phase 2 materials. It is imperative that the not-for-profit organization selected by the Province to administer Phase 2 MHSW materials establish prompt timelines for reimbursement payments to municipalities.

While unit costs for the MHSW program are high, total program cost is minor compared to the overall solid waste program (less than 0.5% of total tonnes managed, less than 4% of the net program costs for solid waste). The 2012 approved MHSW budget included \$1.73M for all phases of the programs. The Region expects to be reimbursed approximately \$1.5M resulting in an estimated net 2012 program cost of \$230,000 which is well within the 2012 approved budget of \$1.73M. Therefore, the Region will not experience a negative 2012 budget impact from this announcement.

Regional staff will ensure that funding required for 35% of Phase 1 and 100% of Phase 3 costs will be included in the proposed 2013 solid waste operating budget. As indicated above, it is anticipated the new program administrator will provide 100% cost recovery for Phase 2 materials.

While we appreciate this communication from the MOE, we are disappointed that the MHSW program is not being fully funded by the stewards responsible for introducing these materials into the marketplace and that municipalities will be left to fund management of Phase 3 materials.

Environmental Services staff will continue to discuss full extended producer responsibility for these materials with the Province over the longer term.

---

Erin Mahoney,  
Commissioner, Environmental Services

JK/ds

Copy to: Bill Hughes, Commissioner of Finance  
Lucas Cugalj, Director, Strategy and Business Planning  
Laura McDowell, Director, Environmental Promotion and Protection Branch

YORK-#4278920