



**PUBLIC AGENDA  
STANDING POLICY COMMITTEE  
ON ENVIRONMENT, UTILITIES  
AND CORPORATE SERVICES**

**Tuesday, April 1, 2025, 9:30 a.m.  
Council Chamber, City Hall**

**Committee Members:**

**Councillor J. Parker, Chair, Councillor K. MacDonald, Vice Chair, Councillor T. Davies,  
Councillor H. Kelleher, Councillor S. Timon, Her Worship, Mayor C. Block (Ex-Officio)**

Submissions providing comments and/or requesting to speak will be accepted for public meetings using the online form at [saskatoon.ca/writetocouncil](https://saskatoon.ca/writetocouncil). If your submission includes a request to speak, you will be contacted by a representative from the City Clerk's Office with further information. **Submissions will be accepted no later than 5:00 p.m. on the Monday the week of the meeting.**

**Pages**

**1. CALL TO ORDER**

The Chair will call the meeting to order on Treaty 6 Territory and the Traditional Homeland of the Métis People and confirm roll call.

**2. CONFIRMATION OF AGENDA**

**Recommendation**

That the agenda be confirmed as presented.

**3. DECLARATION OF CONFLICT OF INTEREST**

**4. ADOPTION OF MINUTES**

4 - 9

**Recommendation**

That the minutes of regular meeting of the Standing Policy Committee on Environment, Utilities and Corporate Services held on March 4, 2025, be adopted.

**5. UNFINISHED BUSINESS**

**6. ADMINISTRATION AND LEGISLATIVE REPORTS**

**6.1 Decision Reports**

**6.1.1 Participation in the New Household Paper and Packaging Program [EUCS2024-0904]**

10 - 37

A report of the Utilities and Environment Division is provided.

**Recommendation**

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council that:

1. Administration submit intent to participate in Option 3 – SK Recycles Led Collection Model as the long-term approach for the curbside recycling program starting January 1, 2028;
2. Administration submit intent to participate in Option 3 – SK Recycles Led Collection Model as the long-term approach for the multi-unit residential recycling program starting January 1, 2028, with the start date subject to change based on negotiations with SK Recycles and Cosmo; and
3. That the City remain in status quo (Option 1) while Administration works with SK Recycles and recycling service providers to explore an interim agreement that could see the City join earlier as a collector.

**6.2 Approval Reports**

**6.2.1 Capital Project P.01243 Lift Station Upgrades Budget Adjustment [EUCS2025-0401]**

38 - 39

A report of the Utilities and Environment Division is provided.

**Recommendation**

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council that the budget adjustment in the amount of \$300,000 to Capital Project P.01243 Lift Station Upgrades funded from the Wastewater Treatment Capital Reserve be approved.

**6.3 Information Reports**

7. MOTIONS (notice previously given)
8. URGENT BUSINESS
9. GIVING NOTICE
10. REQUESTS TO SPEAK (new matters)

**11. COMMUNICATIONS (requiring the direction of the Committee)**

**11.1 Diversity, Equity and Inclusion Advisory Committee - 2025 Work Plan  
[ADV2025-0401]**

40 - 40

The Diversity, Equity and Inclusion Advisory Committee 2025 Work Plan is provided.

**Recommendation**

That the 2025 Work Plan for the Diversity, Equity and Inclusion Advisory Committee be forwarded to City Council for information.

**12. IN CAMERA SESSION (if required)**

**13. ADJOURNMENT**



## **PUBLIC MINUTES**

### **STANDING POLICY COMMITTEE ON ENVIRONMENT, UTILITIES AND CORPORATE SERVICES**

**Tuesday, March 4, 2025, 9:30 a.m.  
Council Chamber, City Hall**

**PRESENT:** Councillor K. MacDonald, Vice Chair  
Councillor T. Davies, via teleconference  
Councillor H. Kelleher  
Her Worship, Mayor C. Block (Ex-Officio)

**ABSENT:** Councillor J. Parker, Chair  
Councillor S. Timon

**ALSO PRESENT:** General Manager, Utilities & Environment A. Gardiner  
Deputy City Solicitor C. Bogad  
Deputy City Clerk S. Bryant  
Committee Assistant H. Janzen

#### **1. CALL TO ORDER**

The Chair called the meeting to order on Treaty 6 Territory and the Traditional Homeland of the Métis People and confirmed roll call.

The Chair acknowledged the kickoff to Race Relations month that took place on March 3, 2025.

#### **2. CONFIRMATION OF AGENDA**

**Moved By:** Councillor Kelleher

1. That the following letters requesting to speak be added to Item 6.2.3;
  - Robin Adair, Arbour Crest Tree Services, dated March 3, 2025;
  - Tom Gode, SOS Trees Coalition, dated March 3, 2025;
2. That the items with speakers be considered immediately following unfinished business;

- 6.2.3
  - Robin Adair, Arbour Crest Tree Services;
  - Tom Gode, SOS Trees Coalition; and

3. That the agenda be confirmed as amended.

In Favour: (4): Councillor MacDonald, Councillor Davies, Councillor Kelleher, and Mayor Block

Absent (2): Councillor Parker, and Councillor Timon

**CARRIED UNANIMOUSLY**

### **3. DECLARATION OF CONFLICT OF INTEREST**

There were no declarations of conflict of interest.

### **4. ADOPTION OF MINUTES**

**Moved By:** Councillor Kelleher

That the minutes of regular meeting of the Standing Policy Committee on Environment, Utilities and Corporate Services held on February 4, 2025, be adopted.

In Favour: (4): Councillor MacDonald, Councillor Davies, Councillor Kelleher, and Mayor Block

Absent (2): Councillor Parker, and Councillor Timon

**CARRIED UNANIMOUSLY**

Item 6.2.3 was considered next.

### **5. UNFINISHED BUSINESS**

### **6. ADMINISTRATION AND LEGISLATIVE REPORTS**

#### **6.1 Decision Reports**

#### **6.2 Approval Reports**

##### **6.2.1 Proposed Amendments to The Waste Bylaw, 2022 [CCB2023-1108 GPC2023-0813]**

A report of the Utilities and Environment Division was provided and presented by General Manager, Environment and Utilities Gardiner.

**Moved By:** Councillor Kelleher

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council:

1. That the proposed amendments to Bylaw No. 9844, *The Waste Bylaw, 2022*, as outlined in this report, be approved; and
2. That the City Solicitor be requested to make the necessary amendments to Bylaw No. 9844, *The Waste Bylaw, 2022*.

In Favour: (4): Councillor MacDonald, Councillor Davies, Councillor Kelleher, and Mayor Block

Absent (2): Councillor Parker, and Councillor Timon

**CARRIED UNANIMOUSLY**

### **6.2.2 Natural Resource Canada Commercial and Institutional Building Sector Funding [EUCS2025-0301]**

A report of the Utilities and Environment Division was provided and presented by General Manager, Utilities and Environment Gardiner.

Director of Saskatoon Water Munro responded to questions of Committee.

**Moved By:** Mayor Block

That the Standing Policy Committee on Environment, Utilities, and Corporate Services recommend to City Council that:

1. If the application for the NRCan ISO 50001 in the Commercial and Institutional Buildings Sector Fund is approved, City Council authorize the Mayor and City Clerk to execute the Agreement under the Corporate Seal;
2. If required, the Senior Financial Business Partner be granted delegated authority to sign and submit progress reports and financial claims related to the program;

3. If the application is successful, Capital Project P.10004 Energy Management Program be increased by \$100,714 to incorporate NRCan funding.

In Favour: (4): Councillor MacDonald, Councillor Davies, Councillor Kelleher, and Mayor Block

Absent (2): Councillor Parker, and Councillor Timon

**CARRIED UNANIMOUSLY**

Item 11.1 was considered next.

### **6.2.3 Elm Wood Disposal Initiative Next Steps [EUCS2023-0202]**

The following letters requesting to speak were provided:

1. Robin Adair, Arbour Crest Tree Services, dated March 3, 2025; and
2. Tom Gode, SOS Trees Coalition, dated March 3, 2025.

A report of the Utilities and Environment Division was provided and presented by Education and Environmental Performance Manager Burns and Parks Superintendent Francis with a PowerPoint.

Council heard from the following speakers:

- Robin Adair, Arbour Crest Tree Services, who responded to questions of Committee; and
- Tom Gode, SOS Trees Coalition, who also responded to questions of Committee.

Education and Environmental Performance Manager Burns, Parks Superintendent Francis, Environmental Projects & Protection Manager Gauthier and Parks Director Hoang responded to questions of Committee.

**Moved By:** Mayor Block

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council that:

1. The 2025 proper elm wood disposal plan be approved as outlined in this report;

2. The Administration prepare the 2026/2027 business plan and budget without revenues for entrance and tipping fees for all loads of elmwood, along with any other operating or capital requirements to support DED prevention, for City Council's consideration; and
3. The establishment of capital project DED Response, in the amount of \$100,000, be funded from the Urban Forestry and Pest Management Capital Reserve.
4. The City Solicitor's Office be requested to amend Bylaw No. 9844, *The Waste Bylaw, 2022*, as outlined in the March 4, 2025, report of the Utilities and Environment Division.

In Favour: (4): Councillor MacDonald, Councillor Davies, Councillor Kelleher, and Mayor Block

Absent (2): Councillor Parker, and Councillor Timon

**CARRIED UNANIMOUSLY**

Item 6.2.1 was considered next.

### **6.3 Information Reports**

7. **MOTIONS (notice previously given)**
8. **URGENT BUSINESS**
9. **GIVING NOTICE**
10. **REQUESTS TO SPEAK (new matters)**
11. **COMMUNICATIONS (requiring the direction of the Committee)**

#### **11.1 Saskatoon Environmental Advisory Committee - 2025 Work Plan [ADV2025-0301]**

The Saskatoon Environmental Advisory Committee 2025 Work Plan was provided.

General Manager, Utilities and Environment introduced the item.

Saskatoon Environmental Advisory Committee, Chair, Angela Spence, was in attendance to respond to questions.



**Moved By:** Councillor Kelleher

That the 2025 Work Plan for the Saskatoon Environmental Advisory Committee be forwarded to City Council for information.

In Favour: (4): Councillor MacDonald, Councillor Davies, Councillor Kelleher, and Mayor Block

Absent (2): Councillor Parker, and Councillor Timon

**CARRIED UNANIMOUSLY**

**12. IN CAMERA SESSION (if required)**

**13. ADJOURNMENT**

The meeting adjourned at 10:18 a.m.

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Councillor K. MacDonald, Vice Chair

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Deputy City Clerk S. Bryant

# Participation in the New Household Paper and Packaging Program

## ISSUE

The City of Saskatoon (City) participates in the current SK Recycles Shared - Responsibility Program, where municipalities receive compensation for up to 75% of the costs to operate residential recycling programs. In May 2024, the Saskatchewan Ministry of Environment approved SK Recycles' Household Packaging and Paper Stewardship Program Plan (Program Plan). This approval initiates a shift towards a full Extended Producer Responsibility (EPR) model, where producers will assume greater operational and financial responsibility for managing household packaging and paper throughout its lifecycle, from collection to recycling. This shift started December 1, 2024, and will be completed by December 1, 2027.

To align with this shift, Multi-Material Stewardship Western (MMSW) has re-branded their organization to SK Recycles starting November 2024. For consistency throughout this report the name SK Recycles will be used, even when referring to the past when the organization was named MMSW.

The City received a formal offer from SK Recycles on August 19, 2024, to transition to the new program with options for participation and a series of decision-making windows. This decision report provides analysis on the options available to the City and a recommendation on the City's participation.

## BACKGROUND

### History

A revised [Household Packaging and Paper Stewardship Program Regulations, 2023](#) (the Regulation), came into effect in Saskatchewan on March 31, 2023. On May 8, 2024, the Saskatchewan Ministry of Environment approved SK Recycles' [Household Packaging and Paper Stewardship Program Plan](#).

At the September 3, 2024, Standing Policy Committee on Environment, Utilities and Corporate Services, the report [Recycling Program Update – New Household Paper and Packaging Program](#) was received as information. The report introduced the changes and formal offer, proposed no changes to the 2025 budget plan, and committed to a decision report in Q1 2025.

Additional background on the City's recycling programs and SK Recycles are available in [Appendix 1 – Additional Background](#).

### Current Status

The provincially approved Program Plan will change how the City's residential recycling programs operate and are funded. While the Regulations place obligations only on producers (municipalities are not regulated), the City will be impacted due to participation in the current SK Recycles' Shared-Responsibility program. In the current

## Participation in the New Household Paper and Packaging Program

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program, the City has autonomy over recycling service delivery and receives annual payments from SK Recycles on a per household basis.

The Provincial Program Plan outlines three phases of transition where SK Recycles will implement the full EPR model. The phases are as follows:

Phase	Programs to Transition	Start Date
1	Curbside and multi-family programs collection programs for large urban municipalities	December 2024
2	Remaining curbside and multi-family programs	December 2025
3	Depots	December 2026

The City is affected by Phases 1 and 3, of which Phase 1 is in progress and Phase 3 has not yet started.

### Public Engagement

The City conducted comprehensive public engagement on waste and diversion services for the curbside (single family households) and multi-unit residential (apartments and condos) sectors in 2018. Residents were generally satisfied with the recycling levels of service, were interested in expanding the list of acceptable items, as well as frustrated by the difficulty of proper sorting, high contamination, and in the case of multi-unit properties illegal dumping.

Every two years, the City conducts a statistically representative survey of residents on waste and recycling services. A full summary of recycling specific results from these engagements are available in [Appendix 2 – Additional Public Engagement](#).

### City of Saskatoon’s Current Approach

The City operates residential curbside, multi-unit, and depot recycling programs. The curbside and multi-unit residential recycling programs have a combined operating cost of \$10.5M as per the 2025 approved budget plan. Both programs are funded through a combination of utility revenues and SK Recycles funding (See [Appendix 3 – Past SK Recycles Funding and Allocations](#) for the SK Recycles current and historical allocations, and rates per household). In 2025, residents are charged an average monthly utility fee of \$7.47 per cart and \$4.22 per dwelling for the curbside and multi-unit programs respectively. Utility fees and SK Recycles cover the costs of collections, processing, education and bylaw enforcement as well as program management.

The City has three residential recycling depots as well as recycling offered at the Material Recovery Center that can be used by residents at no cost. The accepted materials are the same as the curbside and multi-unit collection program. City staff collect materials from and maintain the depots, and processing is included in the multi-unit recycling contract. Collections and processing of recyclables at the depots costs approximately \$0.65M and is funded through property tax.

## Participation in the New Household Paper and Packaging Program

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### Curbside Residential Recycling Program

The City's current contract with Loraas for curbside residential recycling is for both collections and processing. The contracted services include owning, maintaining, and deploying recycling carts, collections, customer service, some education, as well as sorting and marketing materials. The agreement ends December 31, 2027; this is one month past December 1, 2027, when SK Recycles intends to have completed the transition to the new program.

The Loraas contract was entered into prior to the Province of Saskatchewan's (Province) initiation of work in this area and therefore did not contemplate the changes required to participate in SK Recycles' new program. However, because the contract timing lines up almost perfectly with the program transition dates of the SK Recycles program, the Administration is confident that a workable solution will be found to bridge this transition.

### Multi-Unit Residential Recycling Program and Recycling Depots

The City's current contract with Cosmopolitan Industries (Cosmo) is for collections and processing for multi-unit properties and processing of depot materials delivered by City collection vehicles. The contracted services for the multi-unit residential recycling program include owning and maintaining containers (a combination of metal bins and carts), collections, customer service, some education, as well as sorting and marketing materials. This contract also covers materials collected from residential recycling depots and participating civic facilities. The contract ends December 31, 2029; two years and one month past December 1, 2027, which is when SK Recycles intends to have completed the transition to the new program.

The initial contract was entered into in November of 2014, which is long prior to the Province initiating work on the EPR program. In 2023, Cosmo and the City renewed the agreement and new terms were negotiated, and language was included to allow for early termination with lump sum payment amounts as follows:

Year of Termination	Payment Amount
2024 and 2025	Payment Amount to be agreed upon by parties
2026	\$1,766,492
2027	\$1,355,767
2028	\$897,493
2029	\$425,054

The agreement also has assignment rights if SK Recycles is open to assuming the contract. The contract did not anticipate separating the collection and processing scopes of work.

### Approaches in Other Jurisdictions

EPR regulations for packaging and paper products have been rapidly expanding across Canada as well as the United States. As of August 2024, all provincial and territorial

governments, except Nunavut and Prince Edward Island, have either already implemented or have committed to shifting the management of household paper and packaging from municipally organized systems to producer responsibility organization management systems. British Columbia and Ontario were the focus of the City's jurisdiction scan, since BC has a long-established program, and Ontario is in the process of implementation. A summary of results is available in [Appendix 4 – Jurisdiction Scan for EPR](#).

### OPTIONS

SK Recycles has developed three options that municipalities can choose from to participate in the new program. The options include status quo, a municipality led collection model, and a SK Recycles led collection model. Full details of each option are in [Appendix 5 – Option Details](#).

#### **Option 1 – Status Quo- Shared Responsibility Model**

Status quo is available until December 1, 2027, and is the same model that is currently in use. The City would continue to provide recycling collection and processing services for curbside and multi-unit residences through our contracted service providers. The current funding model from SK Recycles would remain and there would be no changes to operations. This option would not require any modifications to our existing service contracts with Loraas and Cosmo or changes to mill rate funding at this time. Upon expiry of this option on December 1, 2027, the City will need to transition to either Option 2 or Option 3.

#### **Option 2 - City of Saskatoon Led Collection Model**

For this option, the City would provide recycling collection services to curbside and multi-unit residences. SK Recycles would provide services for the processing and marketing of recycling material. The City would continue to be responsible for education and communication of recycling programs. The key terms of this option include:

- The City is contracted by SK Recycles to deliver collection services as outlined by SK Recycles and deliver materials to a processing facility determined by SK Recycles.
  - Based on the current service approach, the City procures a third-party service provider to carry out collection services.
- The City is responsible to provide containers. Currently Loraas and Cosmo own the containers used for the curbside and multi-unit programs respectively. A decision is required on procurement of carts/containers or ongoing contracting of this scope of work.
- The City is responsible for recycling program education, communication, and customer service activities.
- The City is responsible for achieving contamination targets. The current contamination rate for curbside is 15.2% and for multi-unit is 21.9%. SK Recycles' target contamination rate in the program is 6%.

## Participation in the New Household Paper and Packaging Program

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- SK Recycles is responsible for the processing and marketing of all materials from the recycling programs.
- SK Recycles determines the materials accepted in the programs.
- SK Recycles determines a flat rate per household, and pays the City to provide recycling services. This funding can only be applied to the residential recycling programs and is silent on the use of surplus funding.
  - The proposed SK Recycles rates do not fully cover the costs of the City's current curbside and multi unit programs. Additional funding through utility charges would be required. Based on the current contracts, curbside residents would pay a minimum of \$0.29 per household per month, and multi unit residences would pay a minimum of \$1.85 per household per month for this program option. These rates do not include additional funding required to reduce contamination or potential increased costs with new contracts. Significant resources are expected to be required to reduce the contamination rate to the desired level of 6%.
- At the discretion of SK Recycles, penalties may be applied if the contamination rate is too high, and the City is not taking enough action to reduce contamination.

### **Option 3 – SK Recycles Led Model**

This option sees SK Recycles providing both collections and processing, including customer service and education. Once implemented, municipalities no longer have operational control of residential recycling operations and there is no funding provided by SK Recycles to the City. The key terms of this option include:

- SK Recycles directly provides residential recycling services including:
  - Collections and provision of containers;
  - Communications, education and customer service; and
  - Processing and marketing of materials.
- Service levels are anticipated to be the same as what SK Recycles requires of the City under Option 2. Therefore, residents would see no difference between the two options (i.e. containers being tipped at the same frequency and all materials being placed in a single container). Service levels may change in the future depending on recycling program requirements.
- Recycling contamination rates are the responsibility of SK Recycles.
- The City is no longer be actively involved with the recycling program. The City would ensure coordination between the SK Recycles' recycling program with the City's organics and garbage collection services.
- The City maintains a role in bylaw enforcement regarding residential recycling infractions with no SK Recycles funding. An update to the Waste Bylaw would be required.

## Participation in the New Household Paper and Packaging Program

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- No charges to residents for recycling collection or processing, since SK Recycles provides collection services at no cost to the City. Some activities that are not transferred to SK Recycles, such as bylaw enforcement, require an alternative funding source.
- All payments from SK Recycles end, since the City no longer provides recycling services.
- The City is required to participate in a two-year long transition process and once fully transitioned, periodically coordinate other waste services with SK Recycles.

### Common Issues for Option 2 and Option 3

The Cosmo contract timelines do not align with the December 1, 2027, Phase 1 implementation, and this is a potential issue for all of the above options. Through the transition process, Administration plans to work with SK Recycles and Cosmo to determine a solution for all parties.

Funding that has been provided by SK Recycles is currently used for several different material diversion initiatives. In 2025, \$0.485M is allocated to debt servicing for Material Recovery Center, \$1.11M is allocated to the compost depot operations (this will reduce in 2026 to \$0.638M when the City-owned compost facility is operational), and \$2.61M is allocated to capital reserves. For Option 2 and Option 3, alternative funding sources would need to be determined. Details on the current allocation of SK Recycles provided funds are shown in [Appendix 3 – Past SK Recycles Funding and Allocations](#).

Under all options, funding is still required to manage regulated paper and packaging products that are not captured by the residential recycling programs since the City would need to handle them as landfilled materials or organics contamination. According to recent waste characterization studies, on average, 11% of curbside garbage materials are recyclable, or 4,247 tonnes in 2024. Based on current landfilling rates, these tonnes have an estimated cost of \$408,000.

### Additional Option - City of Saskatoon Led Collection Model – Interim Option

SK Recycles has approached the City to join the EPR program prior to December 1, 2027. This additional option is expected to look very similar to Option 2 and be available if the City pursues Option 3 as the long-term approach. It is expected that the City would continue to have its contracted service providers deliver recycling collection and SK Recycles would be responsible for the processing of material until Option 3 is implemented.

The feasibility of this option is contingent upon an agreement between the City, SK Recycles, and current service providers. The exact details of this option will not be known until agreements are negotiated. The City's goals for the negotiations are to expand the types of materials accepted in the recycling program prior to December 2027 and reduce the utility costs for residents.

**RECOMMENDATION**

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council that:

1. Administration submit intent to participate in Option 3 – SK Recycles Led Collection Model as the long-term approach for the curbside recycling program starting January 1, 2028;
2. Administration submit intent to participate in Option 3 – SK Recycles Led Collection Model as the long-term approach for the multi-unit residential recycling program starting January 1, 2028, with the start date subject to change based on negotiations with SK Recycles and Cosmo; and
3. That the City remain in status quo (Option 1) while Administration works with SK Recycles and recycling service providers to explore an interim agreement that could see the City join earlier as a collector.

**RATIONALE**

*Recommendation 1 & 2 – Program Led Collection Model as Long-Term Approach* (Option 3) provides more advantages and fewer disadvantages than Option 2 as a long-term approach. The Province’s goal of the new regulation is to hold producers responsible for both financial and operational aspects of paper and packaging waste, and the City strives to provide low-cost services to residents. Option 3 aligns closest to the goals of both the City and the Province. Table 1 summarizes a comparison between Option 2 and 3:

Table 1: Comparison Between Option 2 and Option 3

<b>Criteria</b>	<b>Option 2- City of Saskatoon Led Collection Model</b>	<b>Option 3- SK Recycles Led Model</b>
Service level	No significant change to current service levels expected for residents – SK Recycles sets service level parameters for the City’s operation of collections.	No significant change to current service levels expected for residents – SK Recycles sets and implements recycling collection service levels.
Operational responsibilities	The City is responsible for public facing aspects of the residential recycling collection program including collections, containers, customer service, education, and communications.	SK Recycles is responsible for all operations of the residential recycling collection programs.
Projected cost for residents based on current contracts	All processing costs are removed from utility fees and the City only charges fees for the gap between SK Recycles payments and the full cost of collections. Based on current contracts this is estimated to be a minimum of: <ul style="list-style-type: none"> <li>• \$0.29 charge per month for curbside residents.</li> <li>• \$1.85 change per month for multi unit residents.</li> </ul>	Residents will not have to pay for collection and processing that is currently funded through recycling utility fees.  Some activities that are carried out by the City, such as bylaw enforcement, require an alternative funding source.



**Participation in the New Household Paper and Packaging Program**

Projected Penalties	<p>Within five years, penalties up to \$600,000 per year per program for not meeting contamination rate targets.</p> <p>Contamination penalties can be waived if improvement targets are met. Substantial costs are expected for additional contamination reduction programs.</p>	<p>There are no penalties since the City is not responsible for direct delivery of recycling services.</p>
Program risks	<p>Cost escalations for new collection contracts - responsibility of the City to cover any funding gap.</p> <p>Contamination rates are difficult to achieve, City responsible for penalties.</p> <p>Complaint escalation is similar to current processes.</p>	<p>All risks related to program service levels and performance targets are borne by SK Recycles including costs and contamination.</p> <p>Complaint escalation is responsibility of SK Recycles as the City is not involved in operations.</p>
Coordination with other collections/City activities	<p>Internal coordination with other waste collection programs and other City activities that impact collection.</p>	<p>To be determined during program handoff, coordination is required with City's waste collection programs and other City activities that impact collection.</p>
Implementation	<p>The City prepares new collection - only recycling contracts that meets SK Recycles requirements, including a decision on whether to procure or contract provision of containers.</p> <p>Ongoing costs during and after the transition including staff time, biennial setting of recycling utility rates, and reporting to SK Recycles.</p>	<p>The City works with SK Recycles to coordinate collections with curbside and multi-unit operations and share information on new residential properties.</p> <p>One-time costs during transition including staff time and adjustments of recycling utility from utility bill.</p>
Change Management	<p>The City retains some control to communicate changes to residents using familiar tools like Waste Wizard and to minimize collection schedule changes. SK Recycles determines acceptable materials.</p>	<p>The City runs a one-time campaign to notify residents of the changes to the program and that SK Recycles is the new contact. Customer service directs all recycling service inquiries to SK Recycles.</p>

From the Administration's analysis of the options, Option 3 provides more advantages than Option 2. Option 3 is the lowest risk for the City and lowest cost option, while delivering the same level of service to residents. SK Recycles is responsible for all recycling costs, education, customer service and meeting stringent contamination targets. This will allow the City to focus on advancing initiatives from the Solid Waste Reduction and Diversion Plan rather than investing resources into contamination reduction to avoid penalties for an existing program. The main disadvantage is that the

City is not directly involved in recycling services and instead relies on and needs to coordinate services with SK Recycles. However, this disadvantage can be mitigated through the City's collaboration with SK Recycles while preparing for the transition, a comprehensive communications plan to inform residents of changes, and providing feedback to both SK Recycles and the Ministry of Environment on program performance following the feedback.

### *Recommendation 3– Continued Shared Responsibility Model and Exploring Additional Option as an Interim Approach*

If Recommendation 2 and 3 are approved for the City's long-term participation in the Program, Option 1 will be the short-term default. As such, the City maintains the current curbside residential recycling contract until the transition to SK Recycles' new program. As there is only a one-month gap between the start of SK Recycles' new program and the expiry of the City's contract with Loraas, the Administration anticipates minimal contract changes will be required. Option 1 also allows the City to maintain the multi-unit residential recycling contract until it is two years and one month from expiry. This reduces the amount the City is required to pay for early termination as outlined in the contract and enables time to explore other options with SK Recycles and Cosmo through negotiations.

Option 1 also allows time to transition the funding model for waste services that had previously been funded using SK Recycles funding. Exploration of funding sources and a phase-in approach will be developed and brought forward in future reporting to align with other program development that is in progress.

Administration does not recommend adopting Option 2 (as the interim approach) as presented in SK Recycles' formal offer, since it is anticipated to create considerable disruption for the City, the service providers, and residents, because:

- It requires amendments to current contracts to separate collections and processing that were not anticipated and may result in unplanned price increases.
- It creates an immediate need to allocate all SK Recycles funding to offset curbside and multi-unit recycling utility fees, resulting in operating and capital funding gaps. The current approach to allocating funding is permitted under the status quo and through discussion with other Saskatchewan municipalities is a common practice.
- Residents see multiple changes over a short period of time instead of a single change. Based on the City's operations of multiple waste collection programs, any instance of change is expected to lead to resident confusion and frustration.
- Changes to accepted materials could happen at any time as determined by SK Recycles, and under Option 2, the City is required to update all communication materials and be responsible for any related increases to contamination.

### **ADDITIONAL IMPLICATIONS/CONSIDERATIONS**

Implementation of Option 3 would impact 5.3 FTEs that are funded through the existing recycling utilities. A plan to address these positions will be brought forward in future

reporting on the financial implications of the transition and will be coordinated with other waste program development that is in progress.

Eligibility for Option 3 is contingent upon the City delivering other waste collection services as outlined in SK Recycles' program plan. Eligibility for curbside recycling requires that a curbside garbage collection program is in place in the service area and multi-unit program eligibility requires that a multi-family garbage collection program is in place in the service area. The City currently meets these criteria and this will be considered as work progresses on multi-unit garbage program as outlined in the [Multi-Unit Garbage – Service Review and Next Steps](#) report that was presented to the Standing Policy Committee on Environment, Utilities and Corporate Services on February 4, 2025.

Approximately 35 civic facilities participate in the optional corporate recycling services under the current Multi-Unit Residential Recycling agreement. With the transition, a new service agreement would be required for these facilities. The City is exploring consolidated waste service contracts, starting with garbage collection in 2025. Future work on a consolidated recycling service contract will consider the needs of these facilities and timing of the transition.

### **COMMUNICATION ACTIVITIES**

No formal communications are proposed until changes for residents come into effect. This will reduce the confusion between the current program and the new program, including acceptable materials, collection schedules, customer service, and other service level changes. As part of the roadmap for transition, the City, SK Recycles and where applicable, the current service providers, will work together on a robust plan to communicate the changes to residents and support the changes during the early transition.

### **NEXT STEPS**

In addition to this formal resolution from City Council, SK Recycles requires that a formal commitment is made, in writing, to provide SK Recycles with all reasonable assistance and cooperation during the transition period (e.g. provision of a complete address list, household data etc.). Upon receiving direction from City Council, Administration will work with SK Recycles and our recycling service providers to plan a transition to the approved option. The submission of intent to participate for both the curbside and multi-unit residential recycling programs will initiate a multi-year transition process with SK Recycles and current service providers. Negotiations and collaboration are required to transition all aspects of the current program and ensure that residents are informed of the changes. Additional reporting to Council is anticipated as part of these processes, including an update on the plan six months in advance of the transition's implementation.

Direction to participate in Option 3 – Program Led Collection Model in January 2028 allows the Administration time to develop a funding approach that aims to minimize impacts to property taxes for aspects of the recycling programs that are not covered under SK Recycles' Program Plan. This will address SK Recycles payments that have

## Participation in the New Household Paper and Packaging Program

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been historically applied to various operational and capital waste diversion initiatives, including consideration of non-mill rate funding alternatives as well as phasing in impacts over multiple budget cycles. Furthermore, there may be an opportunity for coordination with other initiatives from the Solid Waste Reduction & Diversion Plan.

The City will continue to work with SK Recycles to develop the terms of an alternative interim agreement that could see the City join as a collector prior to January 2028. If a feasible interim agreement is negotiated, Administration will bring forward additional reporting.

When more information is received regarding SK Recycles intentions for recycling depots, Administration will bring forward a report to obtain direction on preferred method to deliver services.

### APPENDICES

1. Additional Background
2. Additional Public Engagement
3. Past SK Recycles Funding and Allocations
4. Jurisdiction Scan for EPR
5. Option Details
6. Comparison of Accepted Materials

#### Report Approval

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Admin Report - Participation in the New Household Paper and Packaging Program.docx

## Additional Background

In 2013, the Saskatchewan Government approved The Household Packaging and Paper Stewardship Program Regulations.

In 2013, the City launched the curbside recycling program, funded through a recycling utility fee. Collections and processing were contracted to Loraas through a competitive procurement.

In 2014, the City launched the multi-unit residential recycling program, which was fully operational by 2015. The program was funded through a combination of a new utility fee, operational cost savings, and anticipated funding from the implementation of the provincial regulations. Collection and processing were contracted to Cosmopolitan Industries (Cosmo) through a non-competitive procurement. In the agreement, Cosmo retained the right to renew the contract for an additional term.

In 2016, the SK Recycles (at the time called Multi-Material Stewardship Western or MMSW) program launched, and the City joined the program. Since that time, businesses selling or distributing packaging and paper products have shared the responsibility with municipalities to finance the collection and recycling of household packaging and paper products (PPP). This was the first year that the City received funding for waste diversion and recycling programs based on the number of households participating in recycling.

In 2020, collection and processing for the curbside recycling program were contracted again to Loraas through a competitive procurement.

In 2021 and 2022, the Province of Saskatchewan conducted a review and engagement process of The Household Packaging and Paper Stewardship Program Regulations.

- On April 6, 2021, the Standing Policy Committee Environment on Utilities and Corporate Services received the [Saskatchewan Household Packaging and Paper Review and Engagement](#) report as information and the City prepared a submission for the consultation as outlined in that report.
- In November 2021, the [What We Heard – 2021 Engagement Results](#) was released by the Ministry of Environment. The City's feedback was reflected in the results.
- On June 6, 2022, the Standing Policy Committee Environment on Utilities and Corporate Services received the [Multi-Material Recycling Program – Draft Regulations](#) report as information. The City prepared a submission for the consultation as outlined in that report.

The revised [Household Packaging and Paper Stewardship Program Regulations, 2023](#) (the Regulation) came into effect on March 31, 2023. These regulations replaced the regulations from 2016 of the same name. Key changes include transitioning the program from a shared-responsibility model (where producers cover up to 75% of program costs) to a model fully operated and funded by producers.

SK Recycles carried out engagement between June 13 and August 13, 2023, on a draft Program Plan to comply with the new regulations. The Administration prepared a submission.

On July 26, 2023, City Council approved the [Multi-Unit Residential Recycling Contract Renewal](#) report to renew the contract with amended terms after Cosmo exercised their right to renew for an additional six-year term from the original contract. The new contract took effect January 1, 2024.

SK Recycles submitted a draft Program Plan to the Saskatchewan Ministry of Environment by September 27, 2023.

On May 8, 2024, SK Recycles' [plan](#) was approved by the Saskatchewan Ministry of Environment.

The City received a formal offer from SK Recycles on August 19, 2024, to transition to the new program with options for participation and a series of decision-making windows. The Administration prepared the information report [Recycling Program Update – New Household Paper and Packaging Program](#) for the Standing Policy Committee on Environmental, Utilities and Corporate Services that was received on September 3, 2024. Appendix 2 of this report outlines the historical allocation of funding received from SK Recycles since 2016.

## Additional Public Engagement Information

The “Saskatoon Talks Trash: Curbside” engagement ran from February 12 - March 6, 2018. In that time, over 5,000 residents participated in a variety of engagement activities. The full results are available in the [Changes to Waste Management in Saskatoon – Engagement Results](#) report that was received by City Council at their regular business meeting on June 25, 2018.

Key findings regarding blue cart and recycling depot services included:

- A large majority of respondents preferred to maintain large carts collected bi-weekly when they were presented with a weekly collection scenario.
- The Recycling program was the 3rd most-liked feature of the existing curbside service, with 401 participants mentioning their appreciation. 145 respondents specifically mentioned the ease of use of a single-stream approach.
- Desire to include more materials, like Styrofoam.
- Concern about not accepting plastic bags and worry about whether glass will be excluded next.
- Concern about improper sorting, desire for more education about what goes where, suggestion to impose fines for improper disposal.
- Desire for additional collections around Christmas.

The Saskatoon Talks Trash: Multi-Unit engagement campaign ran from June 3 to June 22, 2018. In that time, 546 residents and 123 property managers participated in a series of engagement activities. The full engagement results are available in [the Multi-unit Residential Proposed Changes to Waste Management – Engagement Results](#) report that was received by the Standing Policy Committee on Environment, Utilities and Corporate Services at their September 10, 2018 meeting.

Key findings regarding blue bin recycling and recycling depots included:

- Plastic Bags, particularly concern about how to address plastic bags and film being removed from recycling stream.
- Contamination and Low Participation including seeing contamination of recycling bin with garbage as well as people putting recyclable items in the garbage and not sorting their waste.
- Dumping & Bulky Items, including non-residents dumping waste at their buildings, including bulky items along with grass clippings, diapers, wiring, pipes, bicycles, and commercial waste, as well as residents that do not have transportation/vehicles to

move bulky items like furniture and electronics, may not be able to afford a hauling service, so often bulky waste is disposed of in available bins including recycling.

Every two years the City conducts statically representative residential surveys on waste and recycling services. The most recent [Waste and Recycling Survey](#) was completed in 2023, and found that 82% of curbside residents and 74% of multi-unit residents are satisfied with the overall quality of their recycling collection service. As a comparison, there was 80% satisfaction with overall quality of residential garbage service and 85% satisfaction with the overall quality of the new green cart service. For recycling, residents were most satisfied with the capacity provided, program convenience, and frequency of collection. The most significant barriers to residential participation in the recycling program include confusion regarding acceptable materials, grossness (such as smell of having to clean items), loss of trust that collected items are recycled, and safety issues (such as scavengers or hazardous items places in the carts/bins).



### Past SK Recycles (MMSW) Funding and Allocation 2016-2025

The City of Saskatoon began receiving funding from SK Recycles (formerly known as Multi-Material Stewardship Western or MMSW) in 2016. As shown in Table 1 below, this funding was earmarked to offset the costs of the Multi-Unit Residential Recycling (MURR) Program. Funds were also used to cover a combination of operating costs for other waste diversion programs, with surplus transferred to the Waste Minimization Reserve to develop and implementation of the Solid Waste Reduction and Diversion Plan.

Table 1: SK Recycles Funding and Allocation for 2016 through 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Funding Received/ Anticipated</b>	<b>1,268,700</b>	<b>1,284,800</b>	<b>1,284,800</b>	<b>2,815,700</b>	<b>2,882,700</b>	<b>3,369,700</b>	<b>4,552,700</b>	<b>5,537,200</b>	<b>5,636,800</b>	<b>5,747,000</b>
Multi-Unit Recycling	910,900	880,100	1,127,600	995,700	1,063,400	910,000	1,006,600	1,073,400	1,399,000	1,414,300
Curbside Recycling									17,400	131,300
<b>Transfer to Other Operating</b>										
Recycling Depots	107,000									
Leaves and Grass	95,000	200,000			453,000	756,400	480,000			
Debt Servicing for Material Recovery Centre				485,000	485,000	485,000	485,000	485,000	485,000	485,000
Compost Depots				428,300	428,300	941,800	941,800	1,107,400	1,107,400	1,107,400
HHW						80,000	160,000	160,000		
<b>Total Operating Allocations</b>	<b>1,112,900</b>	<b>1,080,100</b>	<b>1,127,600</b>	<b>1,909,000</b>	<b>2,429,700</b>	<b>3,173,200</b>	<b>3,073,400</b>	<b>2,825,800</b>	<b>3,008,800</b>	<b>3,138,000</b>
<b>Surplus Allocated to Capital</b>	<b>(155,800)</b>	<b>204,700</b>	<b>157,200</b>	<b>906,700</b>	<b>453,000</b>	<b>196,500</b>	<b>1,479,300</b>	<b>2,711,400</b>	<b>2,628,000</b>	<b>2,609,000</b>
Rate per HH	11.75	11.75	11.75	25.75	31.75	31.75	41.75	49.75	49.75	49.75

## Jurisdiction Scan for Extended Producer Responsibility (EPR)

Extended producer responsibility (EPR) is an environmental policy approach in which a producer's responsibility (physical and/or financial) for a product is extended to the post-consumer stage of the product's life cycle. EPR shifts responsibility upstream in the product life cycle to the producer and away from municipalities and regional waste authorities.

Provincial regulations determine packaging and paper EPR obligations & the responsible parties. Circular Materials Ontario (CMO), SK Recycles (formerly MMSW) and Recycle BC have been appointed as the PRO's – Producer Responsibility Organizations for each province respectively.

The tables and summaries below shows the different approaches used by municipalities who have or are currently transitioning to EPR across Canada – focusing specifically on their involvement acting as a collector on behalf of the PRO. The information presented was prepared using a combination of publicly available online documents, news articles and dialog with jurisdictional operations.

### 1. Province: Ontario

**EPR Status:** Transition Phase

**PRO:** Circular Materials Ontario (CMO)

Transition Schedule: The ministry considered municipal preferences for the date of transition. The Association of Municipalities of Ontario (AMO) canvassed all municipalities and sought their input on when they would like to transition. To minimize impacts to municipalities, the ministry also considered expiry dates for municipal blue box service contracts and the ability for municipalities to extend current contracts (where this data was available). The ministry did not assign any municipality a transition date that is earlier than their preference, to minimize the potential for breaking contracts<sup>1</sup>. Additionally, there are no contamination fees issued to collectors during the transition phase, although CMO has an aspirational contamination rate of 4% for collection agreements during the phase.

Post-Transition: CMO will be in total control of recycling programming and operations throughout Ontario as of Jan 1, 2026. They have stated that they may make changes to the way recycling is collected. This could include changes to materials collected, recycling collection schedule, collection mechanism, etc.

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<sup>1</sup> [Blue-Box-Transition-Schedule-updated-Feb-2024.pdf](#)

Table 1

City	Population (approx.)	Assigned Transition Date	Acting as collector	Comments
Toronto	3.0 million	2023-07-01	Yes, until Dec 31, 2025	The City and CMO were in discussions regarding the continued provision of recycling services on CMO's behalf post-transition phase (Jan 1, 2026, onwards); however, CMO confirmed their position Feb 5, 2024, stating their inability to continue negotiations regarding Blue Box collection services due to the inability of both parties to align on mutually acceptable contract terms <sup>2</sup> .
Hamilton	500,000	2025-04-01	No	Will be handing over to CM at transition date assigned <sup>3</sup> .
Ottawa	880,000	2023-07-01	Yes, until Dec 31, 2025	The transition date selected by CMO was after the expiration of their collection contracts. Contracts were extended to the end of the transition phase (Dec 31, 2025) when CMO will take over <sup>4</sup> .
RM of Waterloo,	260,000	2024-03-02	No	CMO awarded collection contracts to the regions existing contracts for the transition period only (Miller Waste Systems & Emterra Environmental) <sup>5</sup> .
Barrie	150,000	2024-05-01	No	CMO contracted Emterra to provide collection after the transition date <sup>6</sup> .
Windsor	220,000	2024-08-28	No	CMO contracted GFL to provide collection after transition date <sup>7</sup>

<sup>2</sup> [Post-Transition of the Blue Box Program to Extended Producer Responsibility and Results of District 2 Service Delivery Options Review](#)

<sup>3</sup> [Blue Box Transition | City of Hamilton](#)

<sup>4</sup> [Recycling | City of Ottawa](#)

<sup>5</sup> [Blue Box - Region of Waterloo](#)

<sup>6</sup> [Recycling Collection | City of Barrie](#)

<sup>7</sup> [Blue Box Recycling \(Residents & Eligible Sources\) | Essex-Windsor Solid Waste Authority \(EWSWA\)](#)

## 2. Province: British Columbia

**EPR Status:** Established

**PRO:** RecycleBC

Recycle BC provides incentives to local governments, First Nations, private companies, and non-profits to collect residential packaging and paper under contract with recycle BC. In speaking with municipalities and referencing the sample Statement of Work<sup>8</sup>, there are also Service Level Failure credits built into the contracts with collectors which, if applied, could result in significant financial penalties.

**Table 2**

City	Population (approx.)	Acting as collector		Comments
City of Abbotsford	150,000	Yes	Single Stream	Currently implementing a Contamination Remediation Plan (CRP) as required by the PRO to reduce the City's contamination rate by 25% before Dec 31, 2024 'to ensure the curbside recycling program remains affordable & sustainable' <sup>9</sup> .
City of Richmond	210,000	Yes	Multi-stream	Low contamination rate – service level failure rates less of a concern
Regional Districts of Central Okanagan (RDCO)	220,000	Yes- but transitioning.	Single Stream	Will be transitioning collector responsibilities to the PRO (RecycleBC) in 2026. <i>"Having Recycle BC provide direct service reduces financial risk and penalties to municipalities, and ultimately taxpayers, due to excessive recycling contamination and increasing contract costs. With Recycle BC providing direct service, residents will better understand who is ultimately responsible for residential recycling"</i> <sup>10</sup>
District of North Vancouver (DNV)	95,000	No	Multi-Stream	Transitioned collector responsibilities to the PRO (RecycleBC) in 2020. This transition was council-directed and well timed with existing contracts.

<sup>8</sup> [Recycle-BC-Local-Government-Curbside-SOW-SAMPLE-2022.pdf](#)

<sup>9</sup> [Contamination Remediation Plan | City of Abbotsford](#)

<sup>10</sup> [Recycling - Regional District of Central Okanagan](#)



## Option Analysis

Under the new Program Plan, SK Recycles will be fully responsible for residential recycling. To manage this responsibility in Transition Phase 1, SK Recycles has outlined two distinct scopes necessary for the operation of residential recycling programs: collections and processing.

For collections, SK Recycles will determine service levels and performance targets including service area, program eligibility for households, collection frequency, routes, containers, delivery to a designated facility, contamination rates, spillage, pilot programs, customer service, and promotion and education. The City has the choice of whether to be contracted by SK Recycles to provide these services or to have SK Recycles directly provide these services.

For processing, SK Recycles will be fully responsible and there is no longer a role for the City. Processing includes post-collection handling such as sorting, bailing, and marketing as well as determining accepted materials. Currently, this is the responsibility of municipalities and in Saskatoon both collections and processing are integrated into the City's contracts with third-party service providers. The Program Plan offers some language about working with existing recycling businesses and organizations. This includes considering organizations that provide social benefits, such as Cosmopolitan Industries, which is the City's service provider for multi-unit residential recycling.

As part of their responsibility for processing, SK Recycles will bring harmonization to materials accepted in residential recycling programs across the province, reducing inconsistencies across jurisdictions and enabling more effective marketing of materials. Once transitioned, the City will no longer determine what is accepted in residential recycling programs. A comparison of currently accepted materials and materials that will be accepted under the new program is included at the end of this report.

The City has two options to participate in the new SK Recycles program; to be contracted by SK Recycles to be a collector for the curbside and multi-unit residential recycling programs or to have SK Recycles directly deliver this service. There is an additional option to delay the decision while maintaining the current SK Recycles program until December 1, 2027. Furthermore, the City retains the option not to participate in the program. The decisions for curbside and multi-unit collections can be made separately. Each option has unique operational and financial implications which are highlighted below. Further details on the options are included in the formal offer letter (Appendix 5).

### **Option 1 Status Quo - Shared Responsibility Model**

While not an official option outlined in the formal offer letter, the City could delay a decision and maintain status quo until December 1, 2027, when continued participation in the SK Recycles program requires choosing Option 2 or 3.

#### *Financial Implications*

During this time, the City anticipates a similar funding level as 2025, and would be able to continue current allocations of SK Recycles funding to other operating programs or capital projects until December 1, 2027, at which point Options 1 or 2 would become the selected option, and the related financial implications would follow.

Residents would continue to pay the utility fees with rates adjusted for inflation and growth in 2026/2027. This option provides time for the City to develop a financial transition plan to address items that currently are allocated SK Recycles funding, such as Material Recovery Centre debt and the Compost Depot.

#### *Environmental Implications*

There are no significant changes anticipated from the current environmental performance of the residential recycling program as no changes to the program will take place. Continuous improvements, particularly in education will continue to be implemented through the annual education and communications plan prepared jointly between the City and the recycling service providers. There is a minor risk that as other communities in Saskatchewan transition to SK Recycles' program earlier than Saskatoon, that residents may start using the future program's accepted material list which could result in increased contamination based on the materials accepted in our current programs.

#### *Social Implications*

This option provides the City the ability to manage and minimize change for residents, which based on previous changes the City has made to the recycling program service levels, is known to be a source of frustration and confusion.

#### *Legal Implications*

There are no legal implications to maintaining the current recycling programs, until the expiry of this option.

### **Option 2 – City of Saskatoon Led Collection Model (long-term)**

This option would see the City contracted by SK Recycles to provide curbside and/or multi-unit collections and deliver materials to SK Recycles' facility for processing. In the contract, the City's responsibilities include collections, containers (carts or bins), delivery to the processing facility, customer service, education, and performance targets including contamination rates and capture rates. The City receives SK Recycles funding on a per household basis based on SK Recycles' calculation of costs to deliver

the services. This funding needs to be applied directly to offset residential recycling costs. Any costs to deliver the service that exceed SK Recycles' per household rate needs to be covered by the municipalities.

To participate the City would enter into a Master Service Agreement (MSA) with SK Recycles as well as Statements of Work (SOWs) for curbside and/or multi-unit collections that outline the roles and responsibilities of SK Recycles and the City, including payments by SK Recycles to offset the costs and penalties for the City not meeting service levels, such as contamination targets. SK Recycles requires approximately three months to implement this option. The first opportunity to transition to this option is December 1, 2024, with 3 subsequent options available in 2025. Further details on this option are outlined in Appendix 5 SK Recycles Phase 1 Transition Letter of Offer.

### *Financial Implications*

Recycling Utility Rates – under Option 2, the City would receive a fixed financial incentive from SK Recycles that is intended to cover the costs of collection and education. All processing costs would be the responsibility of SK Recycles. When comparing the incentive rates against the costs of collections, the rates provided by SK Recycles are sufficient to cover curbside collections but insufficient to cover the cost of multi-unit collections. Based on 2025 budgeted costs for education and communication, the rates provided by SK Recycles are insufficient to cover costs under either program. SK Recycles does not provide any funding for bylaw enforcement or program management and as such, these costs would need to be recovered through utility fees.

Under Option 2, materials collected by the City may not contain more than 6% contamination. Should contamination exceed this threshold, SK Recycles can reduce payments to the City via penalties. Based on the City's average contamination rate of 15.2% for curbside and 21.9% for multi unit, there is indication that penalties are possible.

Years of Fines	Per Load	Annual Maximum Per Program (24)	Annual Maximum for 2 Programs (48)
1	\$5,000	\$120,000	\$240,000
2	\$10,000	\$240,000	\$480,000
3	\$15,000	\$360,000	\$720,000
4	\$20,000	\$480,000	\$960,000
5	\$25,000	\$600,000	\$1,200,000

It should also be noted that the current agreements for recycling encompass both collection and processing, and there may be additional costs and/or price adjustments associated with renegotiating these agreements.



The table below outlines the utility rates per month per dwelling under the current model and the minimum expected under Option 2 using 2025 budgeted costs. The rates are not inclusive of penalties or contract renegotiation costs.

Table 1 – 2025 Monthly Average Cost of Recycling Under Current Model Vs Option 2

	2025 Average Monthly Cost per Dwelling per Approved Budget	2025 Average Monthly Cost per Dwelling under Option 2
Curbside Recycling	\$7.47	\$0.29
Multi-Unit Recycling	\$4.22	\$1.85

Impact on mill rate and capital funding – Under Option 2, the terms of the agreement state that the City may only charge residents for any costs that exceed the funding providing by SK Recycles. As funding provided by SK Recycles does not cover the full costs of collection, education, bylaw enforcement and program management, all SK Recycles funds would be required to be applied to the recycling programs and cannot be reallocated to other operating or capital budgets.

At present, \$0.485M of SK Recycles is allocated to debt servicing for Material Recovery Center, \$1.11M is allocated to the compost depot operations, and \$2.61M is allocated to capital. Should this option be selected, alternative funding sources would need to be determined for these operating budgets and the capital funding would no longer exist.

#### *Environmental Implications*

In 2023, the recycling programs diverted 10,500 tonnes of material from the landfill, comprising just over one quarter of the total materials by weight diverted by City programs. In recent waste characterization audits in 2023 and 2024, the contamination rate for curbside recycling (materials improperly placed in the blue cart) was an average of 14.7%, while the average capture rate (the percentage of recyclable material properly placed in the blue cart compared to what was collected in all carts) was 66.6%. This is slightly stronger performance than average North American performance according to the Recycling Partnership, which in 2020, found contamination rates averaged 17% and capture rates averaged 61.5%.

The accepted materials for this option and Option 3 will be the same. The key difference is this option places responsibility on the City to reach a newly established contamination target of 6%. Failure to do so, as outlined in the financial implications section, may result in penalties that will escalate over time. To avoid these penalties, the City will need to invest considerable time and resources into contamination reduction, much of this effort would be solely funded by the City. This re-focusing of the City's work is expected to reduce capacity to implement the Solid Waste Reduction and Diversion Plan, delaying measures that will extend landfill life and avoid greenhouse gas emissions from landfilled waste. As well, the focus on contamination reduction may

have the unintended consequence of reducing capture rates, resulting in more recyclable materials being landfilled.

There are no significant differences expected in the GHG emissions from collections, whether City-led or SK Recycles-led. With this option, emissions from collections will remain attributed to the City in future GHG inventories and emissions from processing will shift to the community category.

### *Social Implications*

Residents are largely expected to experience little impact from this option compared with the status quo, with many of SK Recycles proposed service levels aligning to the City's current residential recycling programs. However, the division of responsibilities between SK Recycles and the City in SK Recycles' formal offer, creates a situation where the City will have limited ability to adjust the recycling program to meet resident needs. In the City-Led collection model, the City is contracted by SK Recycles to provide collections, and if the current approach is maintained, in turn the City will contract collection services to a third-party service provider. This approach leaves the City in an intermediatory position for recycling collection, while at the same time being seen by residents as the public face of the recycling program since the City will be responsible for customer service, communications and education. This approach is expected to lead to increased frustrations for residents navigating the multiple parties involved in providing recycling services. Furthermore, as the public face of recycling, the City may be subject to unfair criticisms of service levels of which the City has no authority to adjust.

### *Legal Implications*

There are legal implications to the option, as the City would be contracted by SK Recycles to provide recycling collection services while SK Recycles would take responsibility for processing. This differs significantly from the City's current approach of contracts that combined both collections and processing by third party services providers. Furthermore, SK Recycles' timelines for transition do not align with the City's current contract lengths, particularly the Cosmo agreement, which may result in a financial penalty for early termination.

### **Option 3 – SK Recycles Led Collection Model**

This option sees SK Recycles providing both collections and processing. Once operational, municipalities will no longer have a role to play in residential recycling operations and there will no longer be any funding from SK Recycles. A written request with a resolution from City Council is required for this option, with a commitment for municipal cooperation in the transition. SK Recycles requires two years to implement this option, during which time a municipality can participate in one of the other options. The first deadline to confirm participation in this option is March 1, 2025, with transition complete March 1, 2027 (or on a later date mutually agreed).

### *Financial Implications*

Recycling Utility Rates – If Option 3 was fully in place, SK Recycles would manage the full scope of residential recycling, and residents would no longer be charged a fee for recycling collections or processing. Activities outside the scope of SK Recycles, such as bylaw enforcement would require an alternative funding source. There may be some costs associated with removing the recycling utility from the City's billing system, but these are not expected to be material.

The recycling utilities currently fund 5.30 FTEs in whole or in part. Should this option be selected, a decision would need to be made on the need for these FTEs.

Impact on Mill Rate and Capital Funding – SK Recycles will no longer provide any funding under this option. As such, the current operating and capital allocations (as noted above) would require alternative funding sources. With the minimum of two years SK recycles requires, there is time for Administration to develop a strategy that considers alternative funding options and a phased approach.

### *Environmental Implications*

The accepted materials for this option and Option 2 will be the same. The key difference is that SK Recycles will be fully responsible for all aspects of the program delivery. The City would not be obligated to devote capacity and resources to recycling contamination reduction, increasing capacity to implement our Solid Waste Reduction and Diversion Plan, including measures that will extend landfill life and avoid greenhouse gas emissions from landfilled waste. The City would have to monitor whether SK Recycles' efforts to reduce contamination have the unintended consequence of reducing capture rates, resulting in more recyclable materials being landfilled. Capture rate reduction is not part of SK Recycles' program plan. Results of this monitoring can be shared through Integrated Waste Management Reporting, as well as directly with both SK Recycles and the Ministry of Environment.

There are no significant differences expected in the GHG emissions from collections, whether City-led or Program-led. With this option, all emissions from collections and processing will shift from the City's corporate category to the community category in future GHG inventories since it is no longer a City provided service.

### *Social Implications*

Residents are largely expected to experience little impact from this option compared with the status quo, with many of SK Recycles proposed service levels aligning to the City's current residential recycling programs. In this option, there would be a more direct relationship between SK Recycles, who is setting service levels and providing the service and residents, without the City acting in an intermediary role. Therefore, resident feedback, including frustration with the removal of glass from collection, is appropriately directed to SK Recycles.

*Legal Implications*

SK Recycles' timelines for transition do not align with the City's current contract lengths, particularly the Cosmo agreement, which will result in a financial penalty for early termination unless a mutually agreeable transition strategy is developed.

The City will have to revise the Waste Bylaw to ensure that SK Recycles maintains a safe and effective recycling collection program.

**Option Not Considered – Do Not Participate in SK Recycles Program**

Municipalities may choose to not participate in the SK Recycles program, since the Provincial regulations apply to producers of paper and packaging and not municipalities. Given the financial incentives to participate in the Program, the Administration is putting all efforts into working with SK Recycles on a transition approach to one of, or a combination of the available options.

*Financial implications*

Recycling Utility Rates – under this option, the recycling utility rates would need to fully cover the cost to operate the residential curbside and multi-unit programs. Based on the 2025 SK Recycles allocations, this would result in increases of \$0.14 per cart per month and \$2.87 per dwelling in the curbside and multi-unit programs respectively.

Impact on Mill Rate and Capital Funding – Similar to the other options, this option would require alternative funding sources for operational programs and capital plans currently dependent on SK Recycles funding.

## Comparison of Accepted Materials

Household Packaging and Paper Material	Current City Collection & Depot	Future SK Recycles Collection	Current SK Recycles Depot	Other
Aluminum and tin cans	✓	✓		
Aluminum foil and pie plates	✓	✓		
Corrugated cardboard	✓	✓		
Mixed paper, newspaper, fine paper, and magazines	✓	✓		
Boxboard	✓	✓		
Plastic containers #1 through #7 excluding (i) black plastic and (ii) Plastic #6 (Expanded Polystyrene) that have contained non-hazardous products	✓	✓		
All provincial legislated beverage containers (milk cartons, aseptic containers and jugs and glass beverage containers)	✓			✓*
Glass food containers (household glass)	✓		✓	
Black plastic		✓		
Empty containers formerly containing hazardous materials		✓		✓**
Polycoat beverage cups/packaging		✓		
Gift bags		✓		
Spiral wound cans with metal lids		✓		
Gable top cartons/ aseptic boxes		✓		
Disposable hangers		✓		
Plastic #6 Expanded Polystyrene			✓	
Plastic bags and plastic film/ flexible plastics			✓	

\* These materials are not included in the regulations for household paper and packaging or SK Recycles' program plan and instead included in other regulations and is implemented by SARCAN. They would no longer be advertised as an acceptable item for residential recycling program.

\*\*These materials are also accepted through the regulations for household hazardous waste and is implemented by Product Care.

## Capital Project P.01243 Lift Station Upgrades Budget Adjustment

### ISSUE

Capital Project P.01243 Lift Station Upgrades requires additional funding to execute capital design work in 2025, for replacement of the Lansdowne Avenue Sanitary Lift Station (LS).

### RECOMMENDATION

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council that the budget adjustment in the amount of \$300,000 to Capital Project P.01243 Lift Station Upgrades funded from the Wastewater Treatment Capital Reserve be approved.

### BACKGROUND

The Wastewater Treatment Plant, of the Saskatoon Water Department, operates and maintains 29 existing LSs within Saskatoon. In November 2024, Saskatoon Water identified failed pumping infrastructure at the Lansdowne Avenue LS, which was constructed in 1963. Funding for existing LS upgrades is budgeted through capital project P.01243 Lift Station Upgrades.

### DISCUSSION/ANALYSIS

A planned inspection of the Lansdowne Avenue LS, in November 2024, identified that pumping infrastructure needed immediate replacement. The existing pumps that need to be replaced are obsolete and no longer available for replacement or to procure individual replacement parts. Saskatoon Water has installed temporary parts, which were locally machined to ensure the LS operates until a comprehensive long-term replacement can be designed and constructed. The locally machined temporary replacement parts cost \$30,000 and will need to be replaced at least annually. Simply purchasing new pumps is not an option as they would not fit in the existing LS without significant modifications to it.

If the temporary replacement parts become unavailable, or the LS further deteriorates and cannot be operated, the sanitary system would need to be placed on a temporary bypass system. Based on the current configuration of the LS located in the boulevard on Lansdowne Avenue at the 8<sup>th</sup> Street East intersection, the overland bypass would consist of temporary pumps and pipes on public roads with generators creating noise disturbances for nearby residents. The temporary bypass system is expected to cost approximately \$25,000 per month (\$300,000 per year) to install and operate and is therefore not a long-term solution.

## Capital Project P.01243 Lift Station Upgrades Budget Adjustment

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In addition to the current state of the pumps, the overall deteriorating condition of the Lansdowne Avenue LS required replacement planning, which was initiated prior to the November 2024 condition assessment. Replacement of the lift station was identified in capital plans within the next ten years; however, with the current state of failure Saskatoon Water recommends accelerating this timeline by funding the work from the Wastewater Treatment Capital Reserve reducing the risk of needing a bypass.

Saskatoon Water recommends that \$300,000 from the Wastewater Treatment Capital Reserve be transferred to Capital Project P.01243 Lift Station Upgrades to fund the design of the Lansdowne Avenue LS replacement. If approved, the design work would commence immediately in 2025. Construction would be scheduled for 2026, with the capital funding request for construction included in the 2026-2027 budget deliberations to occur later in 2025.

### **FINANCIAL IMPLICATIONS**

There are sufficient funds available in the Wastewater Treatment Capital Reserve for this transfer of funds.

### **OTHER IMPLICATIONS**

There are no privacy, legal, social, or environmental implications identified.

### **NEXT STEPS**

There is no follow-up required.

#### Report Approval

Written by: Mitch McMann, Engineering Services Manager, Saskatoon Water  
Reviewed by: Bev Stanley, Accounting Coordinator II, Corporate Finance  
Kari Smith, Director of Finance  
Russ Munro, Director of Saskatoon Water  
Approved by: Angela Gardiner, General Manager, Utilities and Environment

Admin Report - Capital Project P.01243 Lift Station Upgrades Budget Adjustment.docx

## DIVERSITY, EQUITY AND INCLUSION ADVISORY COMMITTEE - WORK PLAN 2025

Item	Action	Delegation	Status
Policy Upkeep	Create a Terms of Reference for the Policy Review Subcommittee.	Policy Advisory Subcommittee	<input type="checkbox"/>
	Review and provide feedback on updating the Cultural Diversity and Race Relations Policy.		<input type="checkbox"/>
	Create a request to the SPC-EUCS to add a designated membership position in DEIAC for a citizen representative of the Inuit community.		<input type="checkbox"/>
Education and Awareness Fund Management	Review the Sponsorship Subcommittee's Terms of Reference to align with the committee's needs and make updates if necessary.	Sponsorship Subcommittee	<input type="checkbox"/>
	Review all sponsorship related documents (Grant Application Form, Grant Follow Up Report, Sponsorship Website and Evaluation Matrix) to align with the committee's needs and make updates if necessary.		<input type="checkbox"/>
Annual Planning	Create a Terms of Reference for the Retreat and Annual Planning Subcommittee.	Retreat and Annual Planning Subcommittee	<input type="checkbox"/>
	Oversee the development of a team charter focused on creating an engaging committee environment from all members.		<input type="checkbox"/>
	Plan and conduct a team development session to strengthen committee teamwork.		<input type="checkbox"/>
Living in Harmony Awards (LIHA)	Review the LIHA Subcommittee's Terms of Reference to align with the committee's needs and make updates if necessary.	Living in Harmony Awards Subcommittee	<input type="checkbox"/>
	Collaborate with the Reconciliation, Equity, Diversity and Inclusion (REDI) Office to update the 2025 LIHA categories and format to engage the Saskatoon community, while also supporting promotion, review, selection and showcase of winners' projects online.		<input type="checkbox"/>
	Provide feedback to the REDI Office in preparation for the 2026 LIHA.		<input type="checkbox"/>
Public Outreach	Explore the feasibility and value of creating a community outreach plan.	Retreat and Annual Planning Subcommittee	<input type="checkbox"/>
	Connect with Chair of Environmental Advisory Committee to learn about their committee's social media strategy.		<input type="checkbox"/>
Continuity Documents	Develop a transition document for the committee chair role.	Committee Chair	<input type="checkbox"/>
	Draft a transition document for subcommittee chair roles in consultation with all subcommittee chairs.		<input type="checkbox"/>
	Draft a committee values-focused Land Acknowledgment.		<input type="checkbox"/>

Updated: March 11, 2025