

Household Hazardous Waste Events – Program Funding Update

ISSUE

The Province of Saskatchewan’s Household Hazardous Waste Product Stewardship Regulations came into effect in June 2020, setting the stage for a new extended producer responsibility program for some of the household hazardous waste materials collected through the City of Saskatoon’s (City) Household Hazardous Waste program.

This report requests approval to enter into an agreement with Product Care Association of Canada (Product Care), which is the stewardship group responsible for all provincially regulated household hazardous waste (HHW) except batteries. This agreement is proposing to directly pay the City’s service provider, GFL Environmental (GFL), for the regulated materials collected at the City’s events, and to reimburse the City for a portion of the fixed event costs.

RECOMMENDATION

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

1. That the City of Saskatoon enter into an agreement for 2021 with Product Care for cost-sharing Household Hazardous Waste events, in accordance with the terms outlined in the report of the General Manager, Utilities and Environment dated May 3, 2021; and
2. That the City Solicitor be requested to prepare the appropriate agreement, and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

The City’s HHW Program has been available to residents of Saskatoon since 2006, with the goal of diverting all hazardous materials generated by residents away from landfills and into safe and environmentally responsible disposal or recycling channels.

The 2020 HHW program saw record numbers for participation averaging 595 participants per event, weight collected at 45 kg per participant, and a cost of \$51,000 per event. At the six events in 2020, a total of 161 tonnes of material were collected.

The City’s current professional services agreement with GFL will expire at the end of 2021, with the option to extend the agreement for an additional year.

During the budget deliberations for 2021, an additional \$80,000 from Multi-Material Stewardship Western funding was allocated to the HHW Program to offset anticipated COVID-impacts to the program. This was a one-time funding increase.

DISCUSSION/ANALYSIS

A stewardship plan submitted by Product Care for the management of specific household hazardous wastes was approved by the Government of Saskatchewan in June 2020, and subsequently launched on April 1, 2021. The implementation of the regulations includes two parts:

1. Residential batteries, with the product stewardship group Call2Recycle. This group established a partnership with SARCAN and is now actively collecting residential batteries at all SARCAN locations province wide.
2. All other regulated HHW materials, with the product stewardship group Product Care. This group is implementing their stewardship program through a phased approach, first by offering partnerships with municipalities that currently offer HHW events, followed by establishing permanent depots in Saskatchewan's five largest cities over the next five years.

Product Care has proposed an agreement with the City for HHW services. If the City enters into the agreement, the City will continue to determine service levels, frequency of events, and whether materials are collected from non-residents.

The agreement will provide compensation for the regulated materials collected, but it does not cover all of the materials in Saskatoon's HHW program; refer to Appendix 1 - Products Accepted and Not Accepted by Product Care.

Regulated Materials Collected

The City is currently in a multi-year contract with GFL to provide HHW events. GFL is also Product Care's designated service provider for the provincial stewardship program. Product Care and GFL have negotiated rates for the regulated materials, which would see Product Care invoicing GFL directly for eligible 'Program HHW'. The City would be responsible for paying the expenses not covered under Product Care's list of acceptable materials.

GFL has provided a high-level estimate in which approximately 17% of what the City collects is covered by the HHW regulation and the responsibility of Product Care, with the exclusion of paint from this collection.

Basing an estimate on an audit conducted at the end of last season, the reduction in costs for the City would be approximately \$5,000 per event or \$40,000 for all 8 events; however, the actual proportion of materials covered by Product Care will vary by event based on what is collected. The amount for the April 11, 2021 event at Civic Operations Centre will be available in early May.

Fixed Costs

Product Care's agreement is also proposing to cover a portion of the fixed costs for events based on what other materials are collected at the events. Based on the service levels the City was providing at the end of last season, fixed costs represent approximately \$16,250 per event. Since Product Care is also the paint stewardship group for the province, they have proposed two cost-share options in the agreement:

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1. 10% of fixed costs for HHW events that collect paint – this would be \$1,625 per event or \$13,000 for all 8 events; or
2. 30% of fixed costs for HHW events that do not collect paint – this would be \$4,875 per event or \$39,000 for all 8 events.

The rationale provided by Product Care is that there is already a collection program for regulated paint offered at all SARCAN depots, and as such the collection of program paint through municipal HHW programs is redundant. However, in addition to regulated paints, the City also accepts non-regulated paints at HHW events. Last season, paint and paint products covered by Product Care made up 30% of the total weight of materials collected through the program; other flammable liquids including paint and paint products not covered by Product Care made up an additional 25%. The option of refusing program paint would result in a decreased level of service compared to previous years.

Product Care's Option 1 will apply to the City's HHW events based on the materials that are accepted.

Location

The monthly events held from April through November will continue to be hosted at the Civic Operations Centre for the 2021 and 2022 collection seasons. It is anticipated that the program will move to Recovery Park when that facility is operational.

FINANCIAL IMPLICATIONS

The HHW program is funded through the Waste Recovery cost centre. The projected costs of the 2021 program, assuming 20% growth over 2020, are \$61,185 per event or \$489,500 total for contracted services. Additional costs for communications are projected at \$11,000. Based on the current program, which accepts paint and paint products, the City could expect approximately \$53,000 this year from Product Care as outlined in the table below, reducing the program funding deficit from \$150,000 per year to approximately \$100,000.

Item	2020 Actuals (6 events)	2021 Projection (8 events)
Budget	(270,000)*	(\$350,000)*
Product Care – Regulated Materials (paid to GFL and reductions on City's invoice)		(\$40,000)
Product Care – 10% Fixed Cost (paid to City)		(\$13,000)
Contractor Services	\$305,900**	\$489,500***
Communications	\$2,000	\$11,000
Total Cost to City	\$307,900	\$447,500
Deficit	(\$37,900)	(\$97,500)

*Administrative costs of approximately \$18,000 are charged to other operating cost centres and not included in this table.

** Average cost per event increased 31% in 2020 over 2019. Between 2015-2020, average cost per event increased an average of 17% annually.

***2021 contractor services projected to be higher than 2020 due to 8 events instead of 6 and assumes an increase of 20% over the average cost per event from 2020.

The level of service defined for the HHW program is eight events per year; the bulk of the program cost is for contracted services which are based on a combination of the number of events and the number of participants. Should the program grow at a rate in line with other years, each event is at risk of reaching capacity, which would result in turning away participants. Over 2021, the program utilization will be monitored, and should it grow to exceed the capacity of the current level of service, a follow up report will be brought forward that provides options for program changes.

ENVIRONMENTAL IMPLICATIONS

The City's HHW program continues to provide a safe and convenient option for Saskatoon residents to dispose of hazardous materials that often require special handling during use and disposal. Improper containment or disposal of HHW can have significant negative impacts to people, pets, and surrounding environments. Maintaining a comparable level of service in 2021 is important to facilitate safe disposal of HHW and the diversion of hazardous waste from the City's other waste streams.

OTHER IMPLICATIONS

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

NEXT STEPS

If approved by City Council, the Administration will proceed with entering into a one-year agreement with Product Care as outlined in this report.

Further reporting on the program's level of service will be brought forward in late 2021.

APPENDIX

1. Products Accepted and Not Accepted by Product Care

Report Approval

Written by: Matt Regier, Environmental Coordinator
Katie Burns, Manager, Community Leadership and Program Development

Reviewed by: Jeanna South, Director of Sustainability

Approved by: Angela Gardiner, General Manager, Utilities and Environment