

Waste Diversion Regulation for the Industrial, Commercial and Institutional Sector – Bylaw Compliance and Education

ISSUE

New Industrial, Commercial and Institutional (ICI) waste regulations in Bylaw No. 8310, *The Waste Bylaw, 2004*, came into force on January 1, 2022 for recycling, and new ICI organics regulations are scheduled for July 2023.

The 2022-2023 operating budget submission proposed an option for a service level increase to accompany the regulation that included a support and education program to improve bylaw compliance, advance diversion targets and respond to stakeholder expectations. In lieu of approved operating funding, this report requests approval to proceed with the ICI recycling and organics regulation compliance and education work plan in 2022 and 2023 through the reallocation of capital funding.

RECOMMENDATION

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

1. That \$159,400 from the Multi-Unit Organics project (P.10019) be directed to Waste Reduction Initiatives (P.01964) for implementation of the ICI compliance and education work plan outlined in Appendix 2, and the work scope for P10019 is adjusted as outlined in this report;
2. That Administration bring the following recommendation to the 2023 budget deliberations for approval: that \$284,400 from Solid Waste Reduction & Diversion Plan Development and Plan Implementation (P.10016) be directed to Waste Reduction Initiatives (P.01964) for implementation of the ICI compliance and education work plan outlined in Appendix 2, and the work scope for P10016 is adjusted as outlined in this report;
3. That the ICI recycling and organics regulation compliance and education work plan outlined in Appendix 2 be approved for 2022 and 2023 pending funding approval; and
4. That Administration report back in 2023 with a service-level and program strategy for the sustained operation of the ICI waste diversion regulation program to commence in 2024.

BACKGROUND

The City of Saskatoon (City) has adopted a target of diverting 70% of waste from the City's landfill. The ICI regulation could result in an estimated 2,400 tonnes of recyclables and 3,000 tonnes of organics diverted from the City's landfill per year, contributing an additional 5% to the City's waste diversion rate. From a community perspective, a total of 17,000 tonnes of recycling and 21,000 tonnes of organics could be diverted from area landfills.

At the 2022-2023 Preliminary Business Plan and Budget meeting on November 29 to December 1, 2021, the motion “That Industrial, Commercial, and Institutional (ICI) Sector Waste Diversion Regulation - Operations and Sustainment \$159,400 in 2022 and \$125,000 in 2023 be approved” was defeated.

At the 2022/23 Preliminary Business Plan and Budget meeting the [2022 and 2023 Environmental Health Business Line Capital Budgets](#) were approved including capital projects P.10016: Solid Waste Reduction and Diversion Development Plan and Plan Implementation, and P.10019: Multi-Unit Organics.

At its meeting on August 30, 2021, City Council passed Bylaw No. 9775, *The Waste Amendment Bylaw, 2021*. The amendment added recycling and organics requirements and program details for the ICI sector waste diversion regulation.

A summary of key decisions, reports and resolutions is provided in Appendix 1 - ICI Waste Diversion – Reporting and Public Engagement Summary.

DISCUSSION/ANALYSIS

Initiative Status and Engagement

Bylaw No. 8310, *The Waste Bylaw, 2004*, now requires the ICI sector to have separate containers for recyclable materials, provide education to employees on proper waste handling, and ensure materials are taken to an appropriate facility. Similar regulations for organics will come into place in July 2023, for organizations that generate food or yard waste as part of their operations.

The ICI waste diversion service level and program (Appendix 2 - ICI Waste Diversion – Fully Funded Service Level Description) is an operating plan which uses education and enforcement to improve compliance with Bylaw No. 8310, *The Waste Bylaw, 2004*, and progress waste diversion goals. While the regulations within the bylaw can be in place without formal education and enforcement, the likelihood of achieving the waste diversion targets is higher with these components included in the program. As operating funding for long-term sustainment of this work was not approved for 2022-2023, reallocating funding from capital sources for 2022-2023 is an option to provide resources to support the regulations.

There are some funds remaining in Waste Reduction Initiatives (P.01964) to carry-out portions of this workplan in 2022. These funds were earmarked for additional communications during the launch year of each regulation. The available funds are not adequate to fully resource the education and compliance support work needed to support the ICI program and to progress diversion goals for this initiative. The remaining capital funding in P.01964 would allow the following work to occur in 2022:

- Revise and launch ICI Waste Diversion website with information about the new regulations;
- Operate ICI Waste Wizard for 2022;
- Revise and mail out Business Recycling Guide; and
- Develop Business Organics Guide for release (digital download or mail out) in 2023.

This report proposes a capital funding strategy for a work plan informed by the operating service level detailed in Appendix 2 for 2022 and 2023, and summarized below, to ensure the ICI sector is aware of the regulations and supported as they come into force. It also provides time to pilot or test the assumptions of the proposed level of service. Outcomes from this work in 2022-2023 can inform sustainment and service level considerations for the ICI operational program from 2024 onward, which will be discussed in later reporting.

Engagement

The regulatory approach to ICI sector recycling and organics was developed through extensive stakeholder engagement. [Stakeholder engagement](#) in 2018 and 2019 emphasised both the importance of City led education to address barriers and the need for an option for businesses to seek an exemption from the requirements due to a variety of unique circumstances that could prohibit the ability to comply.

Engagement continued in 2021 through the launch of the ICI Working Group and a [representative survey](#) of the ICI sector. The majority of the feedback suggested that the ICI sector would like to see the City support their waste diversion through awareness and information, closely followed by offering additional diversion services. The ICI Working Group is a forum for stakeholders to discuss and provide recommendations to the City on issues that are related to the implementation of the ICI Recycling and Organics Regulation. Feedback was received on the types of education that would be useful to the sector, barriers to compliance, and the bylaw exemption eligibility and process.

Best Practices from Other Jurisdictions

During the development of the ICI Waste Diversion Strategy (2018) a comprehensive scan of ICI waste diversion regulations across Canada and in the United States identified a variety of approaches to mandate ICI recycling and organic waste diversion. The results were used during the 2019 YXE talks trash engagement series to develop Saskatoon's program. Notably, the province of Ontario, Halifax Regional Municipality, the City of Lethbridge, and the City of Calgary have similar source separation regulations for the ICI sector.

The City of Calgary launched a similar regulation in 2016 and have provided ICI sector support through a mix of education, compliance, communications, program management and strategy. The first two years of the program focused on education and communications. During the subsequent four years (2018-2021) resources shifted from education to compliance. This work is funded through a mix of tax and reserves. See Appendix 3 - ICI Waste Diversion – City of Calgary Program Summary and Comparison for details.

ICI Work Plan Overview

Appendix 2 details the ICI waste diversion program elements, which is the basis for the revised capital work plan for 2022 and 2023, including:

- 1) Education, with several services directed to the ICI sector including:

- An ICI specific webpage on Saskatoon.ca;
 - A business focused Waste Wizard and list of service providers;
 - An awareness campaign;
 - Targeted sub-sector education material; and
 - In-person education and troubleshooting opportunities.
- 2) Enforcement for bylaw compliance - begins with a one-year period where non-compliance will be addressed with educational tools and resources. Program staff will work directly with businesses to identify and overcome barriers such as service options, space, odors, and educational opportunities for employees. Following the first year, enforcement will mirror the current Waste Bylaw process; complaint based, education first enforcement, and educational blitzes.
- 3) Bylaw exemption administration. Exemption applications will be verified and approved by City administration. Businesses will be able to apply for an exemption from either the recycling or organic clause of the Bylaw if:
- The premises does not routinely generate recyclable or organic material;
 - There are risks that cannot be mitigated to the satisfaction of local waste processors and that inhibit the ability of the premises to dispose of waste as required;
 - Due to a large production of a single type of organic waste, the premises is unable to find a local waste processor; or
 - For any other reason outside of its control, the premises is unable to satisfy the requirements.
- 4) Data and continuous improvement services:
- ICI sector engagement – survey;
 - Developing a program to collect materials type and volume data from waste haulers;
 - ICI data for annual reporting (Integrated Waste Management Annual Report and National Solid Waste Benchmarking Initiative); and
 - Work with the ICI working group to receive feedback on implementation and support future initiatives.

Customer service can be carried out within existing operations and service levels, through the Customer Care Centre. With approval of additional capital resources, there would be both education and enforcement support to assist with responses to inquiries and complaints received through the Customer Care Centre.

Impact on Multi-Unit Organics: P.10019 and Waste Plan: P.10016 Projects

Funding to implement the recommendations of this report is proposed through the reallocation of capital funds from Multi-Unit Organics: P.10019 in 2022, and Solid Waste Reduction and Diversion Plan (SWR&DP) Development and Plan Implementation: P.10016 in 2023.

The reduced capital funding for Multi-Unit Organics: P.10019 in 2022, would still allow the project to proceed, albeit with an adjusted scope, if no further resources are

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identified (Refer to Table 1, below). Scope that is not included in the 2022-2023 term would be included in business case development and capital planning for 2024 onward. External funding opportunities will be pursued for this initiative in the first half of 2022.

This report also proposes seeking approval during the 2023 budget deliberations to redirect capital in 2023 from SWR&DP and Plan Implementation: P.10016 which defines near- and medium-term Plan activities. Refer to Table 1 for a comparison of current and reduced scopes.

Table 1: Capital Project Scope

<i>Projects</i>	<i>Approved Current Scope</i>	<i>Proposed Reduced scope</i>
Multi-Unit Organics: P.10019	<p>Multi-unit organics pilot – minimum of 20 buildings</p> <p>Multi-unit organics engagement – phase 2</p> <p>Implementation and funding plan</p> <p>Eco-Ambassador program pilot</p>	<p>Multi-unit organics pilot – minimum of 15 buildings</p> <p>Multi-unit organics engagement – phase 2</p> <p>Implementation and funding plan</p>
Solid Waste Reduction and Diversion Plan Development and Plan Implementation: P.10016	<p>2022-2025 SWR&DP near and middle term activities (4 years):</p> <ul style="list-style-type: none"> • Project Management to advance development of new programs • Plan monitoring and reporting • Data and studies • Business case development • Funding applications • SWR&DP updates • Partnership identification and development • Environmental cash grant annual contribution (\$10,000) • Coordination with projects led by other departments <p>2022/2023 Projects:</p> <ul style="list-style-type: none"> • Corporate Construction & Demolition waste diversion options • Recovery Park market development • Elm waste behaviour change • Landfill disposal ban research 	<p>2022-2023 SWR&DP near and middle term activities (2 years):</p> <ul style="list-style-type: none"> • Project Management to advance development of new programs • Plan monitoring and reporting • Data and studies • Business case development • Funding applications • SWR&DP updates • Partnership identification and development • Environmental cash grant annual contribution (\$10,000) • Coordination with projects led by other departments <p>2022/2023 Projects:</p> <ul style="list-style-type: none"> • Corporate Construction & Demolition waste diversion options • Recovery Park market development • Elm waste behaviour change • Landfill disposal ban research

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	2024-2025 Projects: <ul style="list-style-type: none"> • Waste Characterization Study (staff resource only) • Special/Bulky Waste Program feasibility study • SWR&DP Update • Public Space and Event Waste Reduction feasibility study 	2024 Projects: <ul style="list-style-type: none"> • Waste Characterization Study (staff resource only)
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Comparison of Recommendation and Current Status

The advantages and disadvantages of proceeding with the proposed ICI work plan, compared to the basic work scope that can be carried out with the remaining capital funding, are outlined in Table 2 below.

Table 2: Advantages and Disadvantages

	Recommendation to Proceed with Revised ICI Work Plan with Additional Capital Funding	Basic Work Scope with Remaining Capital Funding Only
Advantages	<ul style="list-style-type: none"> • More likely to meet waste diversion projections • More likely to meet ICI sector expectations to have a support program in place • The regulations of the <i>Waste Bylaw</i> will be enforced • Ability to track ICI sector waste reduction and diversion improvements • No projected workload increases for Service Saskatoon as additional staff available to assist • Residential satisfaction likely to be higher with program that includes enforcement, since the ICI sector will be accountable for diverting the same materials as residents. 	<ul style="list-style-type: none"> • Does not require additional funding • Will eliminate near-term compliance requirements while the ICI sector remains impacted by COVID-19 • The regulations can remain in the <i>Waste Bylaw</i> and not be enforced; no bylaw update required • The ICI Waste Diversion program is developed and can be implemented in the future if resources become available
Disadvantages	<ul style="list-style-type: none"> • Requires diversion of capital funds from other projects, reducing their scope of work • Risk that program operations would not be funded in 2024 • Will have near-term compliance requirements while the ICI sector remains impacted by COVID-19 • Temporary staff will be hired for the program increasing the risk of disruption by staff turnover 	<ul style="list-style-type: none"> • Least likely to meet waste diversion projections • Does not meet the ICI sector's expectations to have a City operated program in place • Likely to increase the workload for Service Saskatoon as members of the ICI sector look for information about the new

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		bylaw or complaints of non-compliance are received <ul style="list-style-type: none"> • A period of non-enforcement of the bylaw may make future enforcement more difficult. • Most likely to result in low customer satisfaction if both education and enforcement are not available • No ability to track ICI sector waste reduction and diversion improvements
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FINANCIAL IMPLICATIONS

\$550,000 in capital funding was allocated to The ICI Waste Diversion Regulation in the 2020-2021 Multi-Year Budget and these funds are expected to be fully spent by the end of 2023. From this, \$50,000 in 2022, and \$70,000 in 2023, are earmarked to support the project management and additional communications costs anticipated with the launch of the recycling and organics work plan. As originally defined in the program or level of service, it is estimated that the work plan requires \$284,400 annually for the ongoing staffing and program delivery, with additional capital funds required in the first two years to support the launch of each program. These budgetary assumptions are summarized in Table 3: ICI Budget.

Table 3: ICI Budget

Year	Phase	Capital	Operating or Workplan 2022-2023	TOTAL
	Capital Funding	\$(550,000)		\$(550,000)
2020	Program Development	\$ 70,000		\$ 70,000
2021	Program Development	\$ 235,000		\$ 235,000
2022	Recycling Launch	\$ 175,000	\$159,400	\$334,400
2023	Organics Launch	\$70,000	\$284,400	\$354,400
	TOTAL	\$0	\$443,800	\$443,800

Funding to implement the recommendations of this report is proposed through the reallocation of capital funds from the Multi-Unit Organics: P.10019 (\$159,400), and in 2023, Solid Waste Reduction and Diversion Plan Development and Plan Implementation: P.10016 (\$284,400). The capital reallocation plan in Table 4 utilizes the budget and work plan assumptions from Table 3: ICI Budget. To successfully complete this work scope, the reallocation is summarized as follows:

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Table 4: Capital Reallocation Plan

Project	Approved Budget - 2022	Approved Budget - 2023	Approved Total	Revised Budget - 2022	Revised Budget - 2023	Revised Total	Difference - Total
Waste Reduction Initiatives (P.01964)	\$0	\$0	\$0	\$159,400	\$284,400	\$443,800	\$443,800
Multi-Unit Organics (P.10019)	\$500,000	\$380,000	\$880,000	\$340,600	\$380,000	\$720,000	(\$159,000)
Solid Waste R&DP (P.10016)	\$240,000	\$560,000	\$800,000	\$240,000	\$275,600	\$515,000	(\$284,000)

Other Financial Implications

When fully implemented, this program is expected to result in the diversion of 5,400 tonnes of recyclable and organic waste from the City's landfill which would result in a landfill tipping fee revenue reduction of \$567,000 and up to \$25,020 reduction in entry fees per year.

Conversely, the diversion would also result in extending landfill life by approximately 5% and preserving approximately \$362,000 of landfill airspace value per year (based on 2018 landfill airspace values).

OTHER IMPLICATIONS

Environmental Implications

The ICI sector generates 68% of all garbage sent to Saskatoon and area landfills. Approximately 45% (75,800 tonnes) of this waste consists of materials that could be diverted. Compliance with the regulation is expected to result in an estimated 2,400 tonnes of recyclables and 3,000 tonnes of organics diverted from the City's landfill each year, contributing to the City landfill waste diversion target rate of 70% diversion. Diverting 5,400 tonnes of waste from the City's landfill would reduce community greenhouse gas (GHG) emissions by 5,400 tonnes of CO₂e annually.

An additional 17,000 tonnes of recycling and 21,000 tonnes of organics are projected to be diverted from other landfills in the region each year. This annual reduction compared to landfilling would be approximately 38,000 tonnes of CO₂e.

The CO₂e emission reduction estimates for the ICI Waste Diversion program are 43,400 tonnes of CO₂e annually which represents approximately 1.1% of the 2014 community GHG emission baseline.

Triple Bottom Line Analysis

TBL analysis of the ICI Regulation Education and Support Program, completed in 2021, is showing it is:

- “on track” in the environmental benefits area;
- “meeting expectations” in the social benefits area;
- “exceeding expectations” in the economic and financial benefits area; and
- “leading the way” in the good governance benefits area.

NEXT STEPS

Following the approval of this report, Administration will begin implementing the program outlined in Appendix 2. Planning and implementation will also continue for the Curbside Organics program, Recovery Park, and the waste utilities. Reporting in Q1 2023 is planned to assess ongoing waste diversion education and enforcement requirements for all waste programs.

APPENDICES

1. ICI Waste Diversion – Reporting and Public Engagement Summary
2. ICI Waste Diversion – Fully Funded Service Level Description
3. ICI Waste Diversion – City of Calgary Program Summary and Comparison

Report Approval

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