



Recycle BC Contract Renewal and Financial Incentives

Regional District of Central Okanagan and City of Kelowna Joint Presentation

September 17, 2018

Recommendation

- ▶ **THAT** Council direct staff to maintain the existing curbside recycling program and authorize the Mayor and the City Manager to execute a contract extension with Recycle BC for a new five-year term (November 30, 2018 – December 31, 2023).

Introduction

- Packaging and Printed Paper (PPP) was added to the BC Recycling Regulation in May 2011
 - Multi Material BC (now Recycle BC) was formed in mid 2011
 - Non-for-profit Stewardship organization to represent industries that produce PPP
- Province approved Recycle BC's stewardship plan on April 22, 2013

Introduction Continued

- Recycle BC is required to update its plan every five years.
- Recycle BC has been consulting on the new plan since November 2017.
- The RDCO and Member Municipalities work collaboratively to manage Garbage and Recoverables under the Regional Solid Waste Management Plan.

Introduction Continued

- In 2014, RDCO and Member Municipalities signed agreements with Recycle BC to collect PPP recycling and receive financial incentives.
- Municipalities receive per household financial incentives to conduct curbside collection of recyclables for Recycle BC.
- The RDCO also receives Top Ups to fund education, service administration and recycling depot incentives.

Introduction Continued

- Recycling pick up has been included as part of the Regional curbside collection program.
- This Regional curbside collection program is expiring.
- Currently an RFP issued to haulers for a new Regional curbside collection contract.
- This Recycle BC collection component is more efficient financially as part of the Regional curbside collection program.

Introduction continued

- New agreements have been provided from Recycle BC to the RDCO and each Member Municipality for consideration.
- The offer is non-negotiable and can be accepted or Recycle BC will be requested to do direct service of curbside collection.
- RDCO does day to day contract administration on behalf of Member Municipalities under a 2008 Memorandum of Understanding.

Advantages of Staying with Recycle BC

- Continue to use current investment/infrastructure.
- Cart system is clean, efficient, user friendly and supported by residents (98% of households surveyed in the Region are satisfied or very satisfied with the current curbside system)
- Residents are familiar with existing system, sorting rules and carts match the other waste streams.
- Financial incentives will continue to be received from Recycle BC to support curbside collection.

Curbside Collection Financial Incentives

Curbside Collection Financial Incentives offered by MMBC

Single-stream – curbside PPP excluding glass

Household density	Current Rate	New Rate (+4%)	<ul style="list-style-type: none"> Single Stream offer other containers (+8%) Multi-Stream (+10%)
0.2 to 2 HH/ha	\$34.00/HH/year	\$35.40/HH/year	Kelowna, West Kelowna, Peachland, Lake Country
<0.2 HH/ha	\$36.00/HH/year	\$37.40/HH/year	RDCO electoral areas

Curbside Collection Financial Incentives

Revenue projections from Curbside Collection Financial Incentives			
Municipality	Household count	Incentive	Projected revenue (annually)
Kelowna	38,564	\$35.40/HH	\$1,365,165.60
West Kelowna	11,111	\$35.40/HH	\$393,329.40
Lake Country	4,797	\$35.40/HH	\$169,813.80
Peachland	2,497	\$35.40/HH	\$88,393.80
Electoral Areas	1,683	\$37.40/HH	\$62,944.20
TOTAL	58,652		

Notes:

1. Based on July 2018 household counts
2. Electoral Areas only represents those on curbside collection



Depot Collection Financial Incentives

- Currently the RDCO funds two recycling depots throughout the Region (West Kelowna and Glenmore Landfill).
- Depot collection incentives are targeting private depots with other sources of revenue.
- Stand alone depots are not financially sustainable.

Residential Education Top-up Allowance

Annual Resident Education and Service Administration Top Up

(Received by RDCO)

	Current Rate	New Rate	Projected Revenue
Education Top Up	\$0.75/HH	\$0.75/HH	\$43,989
Service Admin Top Up	\$2.50/HH	\$1.75/HH	\$102,641
Depot Top Up (access to curbside)	\$0.75/HH	\$0.25/HH	\$14,663

Top ups are important given RDCO's responsibility for region wide education efforts, specifically with respect to recycling contamination.

Challenges

- Contamination in recyclables (associated financial penalties)

Service Level Failure (over 3% contamination) – max of 24 loads/year		
	Current Agreement	New Agreement
Kelowna	\$5,000/load	\$5,000/load year 1, \$10,000/load year 2, \$15,000/load year 3, \$20,000/load subsequent years
West Kelowna	\$5,000/load	\$5,000/load
Lake Country	\$2,500/load	\$2,500/load
Peachland	\$1,250/load	\$2,500/load*
RDCO	\$1,250/load	\$1,250/load

*Service Level Failure Credits are graduated based on Community House counts. Peachland is expected to pass 2500 homes so increases to the \$2,500/load rate set by Recycle BC

Challenges Continued

- Contamination in recyclables is one of the most significant topics currently in Waste Management.
- International receivers of PPP instituted a ban on wastes that contained contamination or low-quality recyclables.
- Producers and Recycling operations are now responding in an effort to reduce contamination or else this material will not be accepted by the end users.
- Including the Recycle BC work in the Curbside Collection program increases efficiencies and decreases overall costs.

Challenges Continued

- Smaller than anticipated increase in per HH incentive (4%).
- RDCO staff oversee the education portion of the Curbside Collection Program. They are continuing efforts to educate residents to lower the regional contamination.
- Maximum Service Level Failure Credits in 4 years would reduce revenue by approximately \$12 per Kelowna Household.
- This loss of revenue would have to be made up in future user fees.

Conclusion

- Recommendation from City of Kelowna staff and the SWTAC is to sign the contract extension with Recycle BC.
- Local governments have until October 1st to sign new agreement.
- Regional District would continue to receive incentives for Electoral Area collection, Regional depot service, resident education and service administration.
- Member Municipalities would receive all curbside collection incentives.