



## Legislation Text

---

**File #:** RFD 24-203, **Version:** 1

---

### Extended Producer Responsibility (EPR) for County Recycling Material Management

#### **Proposed Motion**

That Council approve Option 3 (Hybrid) for implementing Extended Producer Responsibility (EPR) for residential packaging, paper products and single use products (PPP) which includes the following:

1. Producer Responsibility Organization (PRO) to manage and fund the existing blue bag program within the hamlet of Wabamun
2. Parkland County to receive funding by becoming a service provider for PRO by continuing to manage the recycling programs the at the recycling centers and solid waste transfer stations.

#### **Administration Recommendation**

Administration supports the proposed option 3 (hybrid) to maximize the financial benefit to the County while mitigating the risk of penalties on contaminated recycling collected at the transfer stations and recycling stations.

#### **Purpose**

As part of the Provincial Extended Producer Responsibility (EPR) Program, the PRO (Circular Materials) requires direction by August 1, 2024 on how best to engage with the County for managing recycling materials collected at the County transfer stations, recycling stations and the Wabamun blue bag curbside collection program.

#### **Summary**

The Government of Alberta implemented Extended Producer Responsibility (EPR) legislation in 2023 through Alberta Environment and Parks. EPR is an environmental policy approach in which producers of products and packaging manage the financial and operational obligations of recycling their materials when they reach end of life.

Establishing EPR will shift the burden of recycling programs from municipalities to industry, creating cost savings for municipalities and municipal taxpayers. Consistent, province-wide recycling will help establish economies of scale and drive a plastic circular economy. Alberta is implementing EPR for residential packaging, paper products and single use products (PPP) which covers the kinds of items currently recycled through the blue bag programs, in addition to hazardous and special products (HSP) which covers the kinds of items currently handled through the household hazardous waste programs. EPR has been in place in BC for over 10 years.

The Alberta Recycling Management Authority (ARMA) has been chosen to manage the EPR program on behalf of Alberta Environment and Parks. ARMA has contracted with a non-profit company called "Circular Materials" to manage this PPP program and they are referred to as a Producer Responsibility Organization (PRO).

Circular Materials is a national not-for-profit producer responsibility organization that helps producers meet their obligations under extended producer responsibility regulations across Canada. They will be responsible

for managing the recycled materials and household hazardous waste from all municipalities in Alberta. Circular Materials met with Administration on June 27, 2024 and have proposed 3 options for Parkland County (and all other municipalities who signed up for the EPR program) to decide on how the county wants to manage their recycled materials generated from the residential sector. Household hazardous waste under the EPR program will be dealt with at a later date.

The options include

1. Fully (Opt-in Model) - Circular Materials will manage and fund the recycling centers, the transfer stations recycling and the blue bag program in Wabamun rather than the County
2. Fully (Opt-out Model) - The County will continue to manage the recycling centers, the transfer stations recycling and the blue bag program in Wabamun and Circular Materials will pay the county for managing recycling up to a maximum
3. Hybrid Model - Circular Materials will manage the Wabamun blue bag program and the County will continue to manage the recycling centers and transfer stations recycling and PRO (Circular Materials) will pay the County for managing these.

Circular Materials have told us that they will be implementing a 4% threshold on contaminated recycling materials so if recyclables are contaminated more than 4%, then penalties will be placed on municipalities. Administration is recommending Option No. 3 above given the difficulties of ensuring clean recyclables at the recycling centers and transfer stations. This will give the County an opportunity to sort out contaminated recycling waste collected to mitigate any penalty charges.

For recycling collection (blue bag) in Wabamun, Circular Material will:

- Manage recycling collection and post-collection responsibilities for the recycling program.
- Negotiate directly with a collection service provider and administer the collection contract,
- Be responsible for customer service inquiries and issues related to recyclables.
- Directly lead education and awareness relating to recycling in collaboration with the County.

Circular Materials requires one of these recycling service level options be approved by resolution of Council by August 1<sup>st</sup>, 2024 and provided to them. Once they receive notice of Council's direction, contracts will be negotiated this Fall with an anticipated start date of April 2025.

In 2027 there will be a Stage 2 of the EPR program where the following are possibilities:

- If the County finds that contamination of recyclables at the transfer stations and recycling centers is not an issue, Option 3 could be changed to Option 1
- If blue bag collection were to be implemented in the Big Lake residential area, this could be added to the program
- Our existing recycling contribution agreement with the Town of Devon could be lowered if Devon decides to join the EPR program
- The County could close the Entwistle and Tomahawk recycling centers, introduce blue bag curbside collection and then transfer these costs to Circular Materials

Implementing EPR in Alberta is just starting and municipalities still have many outstanding detailed questions on how this program will work, however Administration believes there are cost savings available by enrolling in this program.

### **Strategic Plan/Policy/Legal/Staff Implications:**

Responsible Leadership - To strive for organizational excellence in delivering County services and programs to

residents, businesses, and community groups

**Financial Impact:**

Below is the summary of the financial impact and risk associated with each option:

Option 1 (Opt-in) - \$156,000 potential savings from the recycling materials costs at the transfer stations and recycling centers plus \$20,000 for the Wabamun blue bag program for a total of \$176,700. However, penalties will be charged for contaminated recycling materials which are unknown at this stage and anticipated to be high at the transfer stations and recycling centers.

Option 2(Opt-out) - Payment costs to the County from the PRO, Circular Materials, is unknown and will be negotiated prior to finalizing contracts. Payments are to include municipal costs to manage recyclables including staff time however there will be a limit to these payments.

Option 3 (Hybrid) - \$20,000 savings for the PRO taking over the blue bag program in Wabamun plus unknown payments from PRO (Circular Materials) for municipal costs to manage recyclables at the transfer stations and recycling centers.