



STAFF REPORT

DATE: May 10, 2024 **FILE:** 0550-04 Board

TO: Chair and Directors,
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: BYLAW NO. 551 – CORTES ISLAND SOLID WASTE COLLECTION FEES

PURPOSE/PROBLEM

To consider Bylaw No. 551 which proposes to increase user fees for the Cortes Island solid waste collection system in response to decreased operating subsidies from Recycle BC.

EXECUTIVE SUMMARY

At its April 24, 2024 meeting the Board considered the attached report and passed the following resolution:

Vonesch/Whalley: SRD 322/24

THAT a bylaw to increase user fees for the Cortes Island solid waste collection system be prepared for further consideration, and

THAT any shortfall in the current year operating budget for the solid waste collection service be covered by reserve funds.

The attached Bylaw No. 551 has been prepared in accordance with the Board's direction and is presented at this time for further consideration. The bylaw proposes to increase the annual fees for collection for 2024 and 2025 by \$10 over current rates which, if the additional revenue is insufficient to recover costs for those years, would be met by accessing reserve funds.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT Bylaw No. 551, being a bylaw to amend the rates for use of the Cortes Island solid waste and recyclable materials collection system, be now introduced and read a first time.
3. THAT the rules be suspended and Bylaw No. 551 be given second and third readings.
4. THAT Bylaw No. 551, being Cortes Island Solid Waste Collection Rates and Regulations Bylaw 2022, Amendment No.1, be reconsidered, finally passed and adopted.

Respectfully:



Dave Leitch
Chief Administrative Officer

Prepared by: *T. Yates, Corporate Services Manager*

Attachment: Bylaw No. 551
April 19, 2024 report to the Board



BYLAW NO. 551

A BYLAW TO AMEND THE RATES FOR USE OF THE CORTES ISLAND SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION SYSTEM

WHEREAS the Strathcona Regional District has, by Bylaw No. 469, imposed fees for the collection and disposal of solid waste and recyclable materials on Cortes Island;

AND WHEREAS the Regional Board wishes to amend the fees for use of the service;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

Amendment

1. Schedule 'A' to Bylaw No. 469 is deleted in its entirety and a new Schedule 'A', attached to and forming part of this bylaw is substituted therefor.

Effective Date

2. This bylaw becomes effective on the date of its adoption.

Citation

3. This bylaw may be cited for all purposes as Bylaw No. 551, being Cortes Island Solid Waste Collection Rates and Regulations Bylaw 2022, Amendment No.1.

READ A FIRST TIME ON THE DAY OF , 2024

READ A SECOND TIME ON THE DAY OF , 2024

READ A THIRD TIME ON THE DAY OF , 2024

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE DAY OF , 2024

Chair

Corporate Officer

Schedule 'A'

Fees for collection of residential refuse and recyclable materials for approved receptacles

Two (2) approved solid waste receptacles and unlimited recycling in designated containers per dwelling unit.	Collection Date		Annual Rate	
	2022		\$97.00	
	2023		\$99.00	
	2024		\$112.00	
	2025		\$115.00	



STAFF REPORT

DATE: April 19, 2024 **FILE:** 0550-04 Board

TO: Chair and Directors,
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: RECYCLE BC INCENTIVE – CORTES ISLAND SOLID WASTE COLLECTION

PURPOSE/PROBLEM

To consider a recommendation from the Electoral Areas Services Committee that the Regional District increase user fees for the Cortes Island solid waste collection system in response to decreased operating subsidies from Recycle BC.

EXECUTIVE SUMMARY

At its April 10, 2024 meeting the Electoral Areas Services Committee considered the attached report and passed the following resolution:

Vonesch/Mawhinney: EASC 119/24

THAT the Regional District implement a user fee increase of \$10.00 per year to cover the reduced revenue with the remainder to be paid from services reserve fund with a review to be completed next year.

The actions noted below are offered in support of the Committee's recommendation.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT a bylaw to increase user fees for the Cortes Island solid waste collection system be prepared for further consideration, and

THAT any shortfall in the current year operating budget for the solid waste collection service be covered by reserve funds.

Respectfully:



Dave Leitch
Chief Administrative Officer

Prepared by: T. Yates, Corporate Services Manager

Attachment: April 5, 2024 report to the Electoral Areas Services Committee



STAFF REPORT

DATE: April 4, 2024 **FILE:** 0540-04 EASC

TO: Chair and Directors,
Electoral Areas Services Committee

FROM: David Leitch
Chief Administrative Officer

RE: **CORTES SOLID WASTE – RECYCLE BC INCENTIVE REDUCTION**

PURPOSE/PROBLEM

The purpose of this report is to assess the impacts of Recycle BC's decision to reduce incentives for Cortes curbside recycling collection and to explore potential budgetary implications.

EXECUTIVE SUMMARY

Recycle BC provides incentives to collectors, including the Regional District (SRD), to offset the costs of curbside recycling collection. In February 2023, Recycle BC notified the SRD that curbside collection volumes were below the contracted amount, necessitating the development and execution of a remediation plan. Efforts were made to increase volumes from April to October 2023.

On February 8, 2024, Recycle BC concluded its review of the SRD's 2023 efforts to boost curbside collection volumes. Despite the education and promotion of the curbside collection program, the volume of multi-stream materials decreased by 0.8 tons in 2023 compared to 2022. Consequently, Recycle BC has opted to reduce the per-dwelling incentive by two-thirds. This reduction translates to a revenue decrease of ~\$17,695 in 2024, which was not accounted for in the 2024-2028 Financial Plan.

	Household Rate	Resident Education Top-Up	Resident Education Top-Up	Total Incentive
2023	\$38.80	\$0.75	\$3.50	\$43.05
2024	\$12.93	\$0.75	\$3.50	\$17.18

Recycle BC recently announced it will be reviewing its incentive rate and fee structure across its program in 2024 with potential impacts on the incentive rates yet to be determined.

To address these changes, several options have been developed for the Committee's consideration to balance the 2024 budget and determine the long-term response for the Cortes Island Solid Waste Curbside Collection Service.

ALTERNATIVES

Option A – Maintain current service levels and maintain user fees for 2024 by amending the 2024-2028 Financial Plan to utilize operating reserves to make up the deficit resulting from the decrease in revenue for 2024 and evaluate increasing user fees for 2025 incorporating the results from Recycle BC's incentive rate and fee structure review.

Option B – Implement a user fee increase of \$25.87 per year to cover the reduced revenue and present proposed bylaw amendments to the Committee for review while maintaining current service levels.

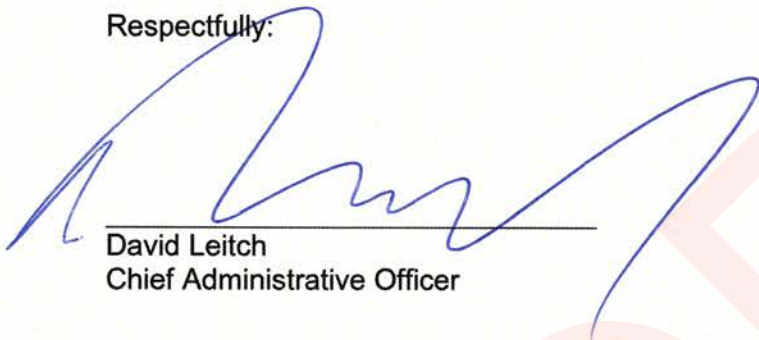
Option C – Engage the collection contractor to evaluate if service costs can be reduced by removing recycling from the curbside collection service.

Option D – Evaluate the added cost of integrating glass collection as part of the curbside collection service in conjunction with option A, B or C.

RECOMMENDATION

THAT the report from the Chief Administrative Officer be received.

Respectfully:



David Leitch
Chief Administrative Officer

BACKGROUND/HISTORY

Cortes Island Refuse Collection is provided under function 376, as outlined in Bylaw No. 469, titled "A Bylaw to Impose Rates and Regulate Use of The Cortes Island Solid Waste And Recyclable Materials Collection System."

The table below outlines the key milestones in the SRD and Recycle BC contractual relationship.

Nov 30, 2013	SRD signs Master Services Agreement with Recycle BC
May 19, 2014	SRD signs first statement of work (SOW) agreement with Recycle BC
Oct 31, 2016	Recycle BC sends a letter to SRD informing that collection volumes are low and offers a 1-year extension to the SOW while both sides evaluate the suitability of extending the Agreement.
Nov 30, 2018	Recycle BC renews SOW with the SRD until Dec. 2023, with no change to incentive or volume of materials required to be collected.
Feb 22, 2023	Recycle BC sends a letter stating yields are low and a remediation plan.
April - October 2023	SRD executed the approved remediation plan, including the glass collection pilot
June 28, 2023	Recycle BC extends SOW until December 2024
Feb 8, 2024	Recycle BC sends a letter stating the remediation efforts were not successful, and the incentive is to be reduced by 2/3 effective immediately.
March – October 2024	Recycle BC completes their Cost Study Methodology and Process review. Study will help inform the updated incentive rate and fee structure to begin January 2025 for curbside.
Dec 31, 2024	The current SOW expires.

The issue of low volumes collected in the curbside program on Cortes was previously raised by Recycle BC in 2016, but no impacts to the incentive were applied as a result.

FINANCIAL IMPLICATIONS

The incentives provided by Recycle BC have been directly applied against the user fees used to fund the collection service. Reducing the incentive will consequently lead to an equivalent deficit in the service. The 2/3 incentive reduction will result in a revenue decrease of ~\$17,500.00 in 2024, which was not accounted for in the 2024-2028 Financial Plan.

The service has benefited from a healthy operational reserve, which has already been utilized in the 2024-2028 Financial Plan to avoid a user fee increase. However, this funding strategy is not sustainable for the service, and user fee increases are inevitable if current service levels are maintained or increased, regardless of the Recycle BC incentive.

Recycle BC provides a separate incentive for glass, paying \$80/ton. During the four-month pilot, 2.69 tonnes of glass were collected, resulting in \$215 of additional revenue. Considering that the cost for each round of collection during the pilot was \$900, adding this material to the regular collection service will necessitate an increase in user fees. The Recycle BC incentives do not cover the collection cost, and the collected glass's weight does not contribute to the target volumes set in the Statement of Work (SOW) for multi-stream materials.

LEGAL IMPLICATIONS

None at this time.

INTERGOVERNMENTAL/REGIONAL IMPLICATIONS

Comox Strathcona Waste Management (CSWM) has supported the SRD in navigating our relationship with Recycle BC by providing guidance and advice throughout the process. Recently, the SRD and CSWM staff met with staff from the Ministry of Environment and Climate Change Strategy, Extended Producer Responsibility, and Environmental Standards Branch. While the Ministry does not get involved in business-to-business contract negotiation, it was an opportunity to share the challenges local governments face because of the current system.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS

The glass collection pilot received a positive response from the community. However, collecting glass presents added complexities due to the increased risk of injury from broken glass and the requirement to be separated from other multi-stream recyclable materials. Under our current collection contract, glass collection cannot be done in tandem with the regular curbside collection and requires a separate process.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

None at this time.

Prepared by: *S. Fisher, Engineering Services Coordinator*

Attachments: Letter from Recycle BC – Results of 2023 Collection Yield Remediation Plan on Cortes Island - Feb 8 2024
Recycle BC Collector Snapshots – 2022-2024
20230504-CI-CurbsideRecycling-Pickup Remediation Plan.PDF
Letter to Recycle BC April 14, 2023
Function 376 – Pages from 2024 – 2028 Financial Plan
Bylaw No. 469 A Bylaw To Impose Rates And Regulate Use Of The Cortes Island Solid Waste And Recyclable Materials Collection System
MMBC MSA October 14, 2013
MMBC LG Curbside SOW October 14, 2013



Program Requirement: Collection Yield Remediation Plan

February 8, 2024

Attention:

Sheena Fisher
Engineering Services Coordinator
990 Cedar St.
Campbell River, BC V9W 7Z8

Re: Results of 2023 Collection Yield Remediation Plan on Cortes Island

Dear Sheena,

In February of 2023, Recycle BC formally engaged with the Strathcona Regional District (SRD) over the very low kilograms per household (kg/HH) capture rate of materials collected in the curbside program on Cortes Island, averaging 18.65 kg/HH, the lowest capture rate per household in curbside programs in the province. At this time, Recycle BC required the SRD to develop a Collection Yield Remediation Plan with the purpose of increasing the capture rate per household of in-scope curbside materials to meet program requirements.

Section 4 of Attachment 5 to schedule 2.1(a) of the Statement of Work (SOW) outlines the following:

If the average annual amount of In-Scope PPP collected per Curbside Household by Contractor, in any 12 month period (based on the Curbside Household Baseline) falls below 135 kilograms, then Recycle BC may require Contractor to, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to raise its collection yield above 135 kilograms per Curbside Household. Following approval of the remediation plan by Recycle BC, Contractor will execute the plan. Contractor will provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If material improvement does not occur within 90 days of beginning to execute the plan, then Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to increase collection yield, and, at Recycle BC's discretion, may result in an equitable downward change in the Fees to reflect the reduced value of the amount of In-Scope PPP being collected by Contractor.

The requirement of the SRD's plan was to increase the kg/HH rate of material collected in the curbside program on Cortes Island to align with like sized, remote communities throughout the province, increasing the capture rate to at least 67 kg/HH. It was noted in the initial request dated February 22, 2023 that failure to increase the collection yield may result in an equitable downward change in the Fees paid to the SRD to reflect the reduced amount of material collected.

Despite the strategies implemented by the SRD, the total annual capture rate of in-scope residential material, collected as part of the Cortes Island curbside program did not achieve the 67 kg/HH requirement. The following table (Table 1) outlines the annual material weight per household from the last three years on Cortes Island:

Table 1: Annual Material Weight per Household from 2021 to 2023 on Cortes Island

Year	Annual Weight (kg)	Household Count	kg/HH/year	Collection Yield Remediation Plan Requirement (kg/HH/year):
2021	8,712.00	570	15.28	N/A
2022	11,246.00	603	18.65	N/A
2023	13,133.00	673	19.51	67

As improvements to the per household capture rate have not been observed, pursuant to Section 4 of Attachment 5 to schedule 2.1(a), Recycle BC will be reducing the Strathcona Regional Districts' curbside incentive for Cortes Island to 1/3 of the current incentive rate, reflective of the approximate 1/3 of material weight collected in comparable curbside programs. The Strathcona Regional District will therefore receive a household rate of \$12.93 per year for collection of in-scope, curbside materials, observed on all payments moving forward. The Resident Education Top Up incentive of \$0.75/household/year and Service Administration Top Up of \$3.50/household/year will remain the same.

If you have any questions regarding this process, please feel free to reach out to me directly.

Thank you.

Sincerely,



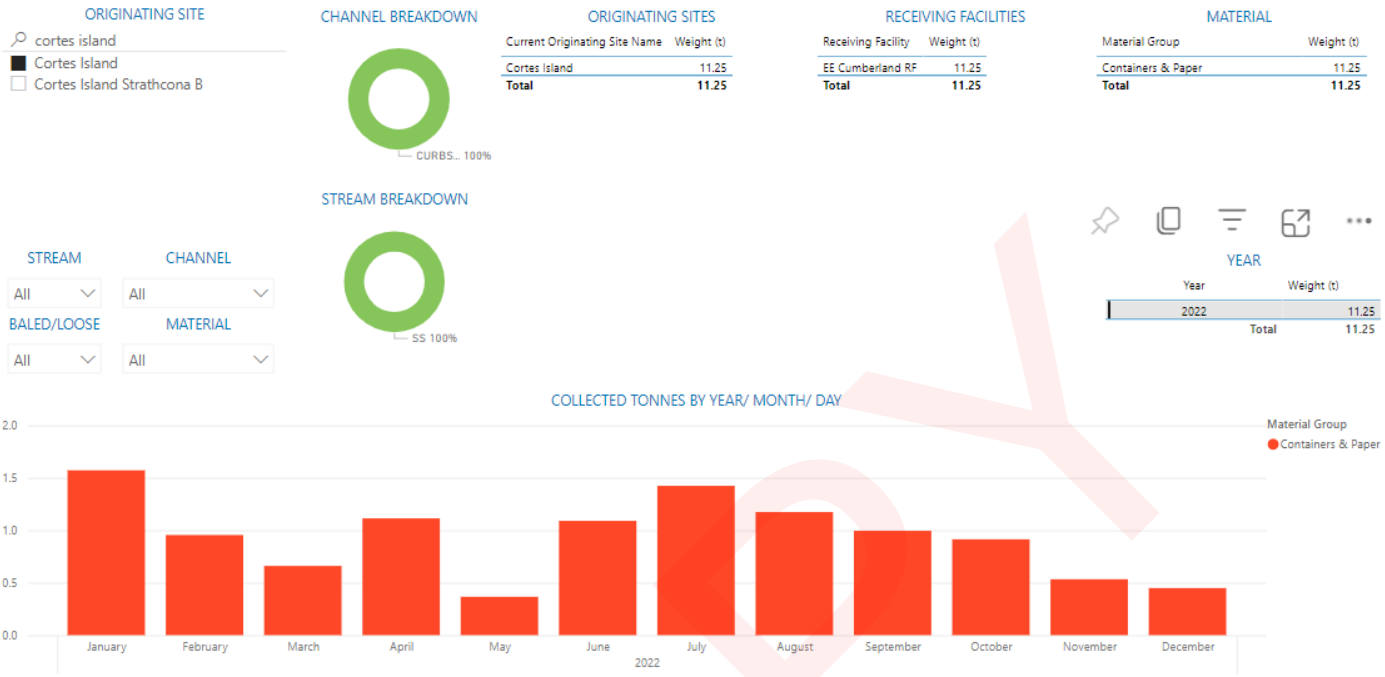
Christine Combe
Collection Specialist
Recycle BC
Phone: 604-908-8913
Email: ccombe@recyclebc.ca

CC: Wolfgang Parada, Senior Manager, Engineering Services, Strathcona Regional District; Brendan McShane, Director Collection, Recycle BC; Jennifer Nguyen, Manager Collection, Recycle BC.

Recycle BC Dashboard Data 2022- 2024

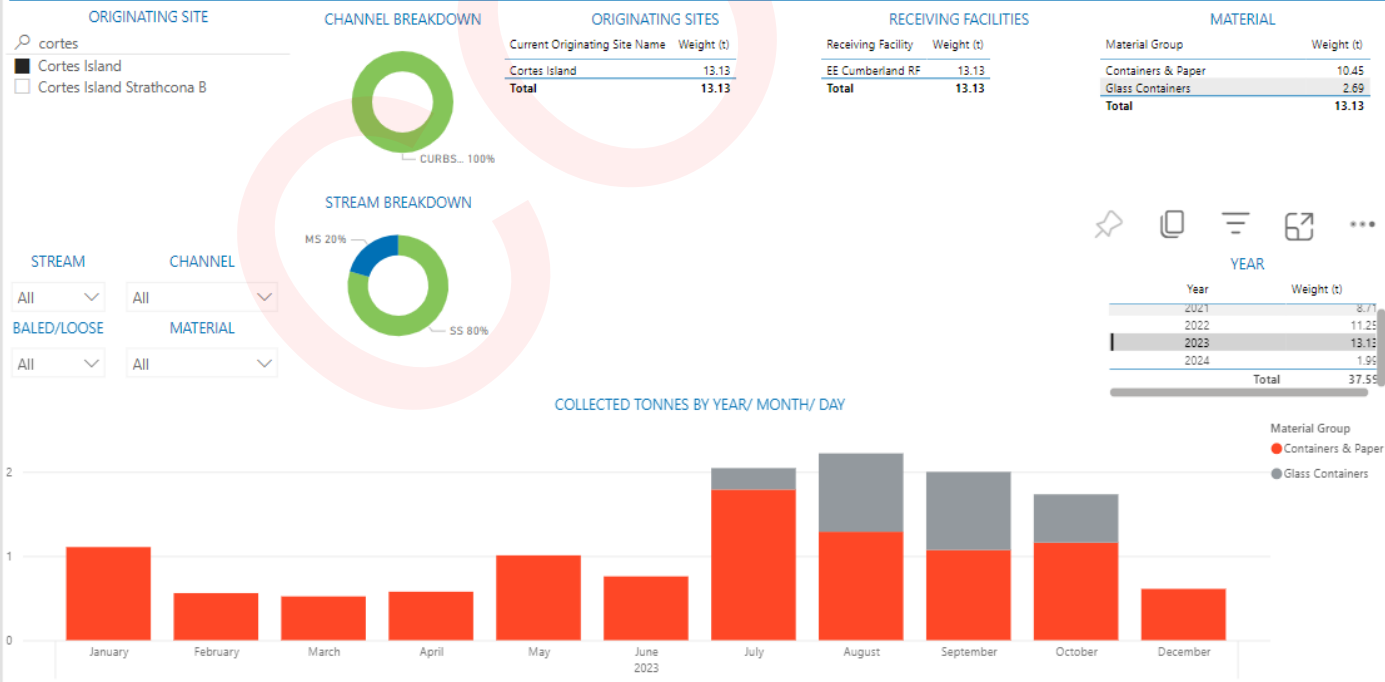
COLLECTOR SNAPSHOT 2022

COLLECTOR TYPE** All | DATE Last 3 Years



COLLECTOR SNAPSHOT 2023

COLLECTOR TYPE** All | DATE Last 4 Years



COLLECTOR SNAPSHOT 2024 – to date as of March 15

COLLECTOR TYPE**

DATE

All

Last

4

Years

ORIGINATING SITE

Search: cortes

- Cortes Island
- Cortes Island Strathcona B

CHANNEL BREAKDOWN



ORIGINATING SITES

Current Originating Site Name	Weight (t)
Cortes Island	1.99
Total	1.99

RECEIVING FACILITIES

Receiving Facility	Weight (t)
EE Cumberland RF	1.99
Total	1.99

MATERIAL

Material Group	Weight (t)
Containers & Paper	1.99
Total	1.99

STREAM BREAKDOWN



STREAM: All

CHANNEL: All

BALED/LOOSE: All

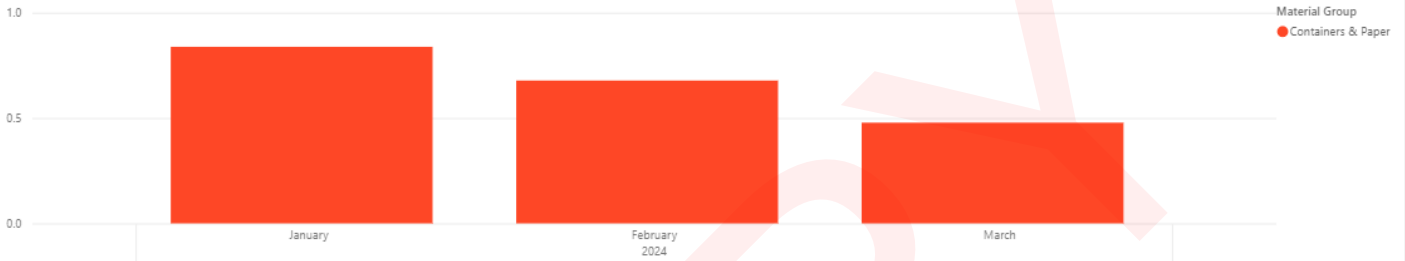
MATERIAL: All



YEAR

Year	Weight (t)
2021	4.71
2022	11.25
2023	13.15
2024	1.99
Total	37.58

COLLECTED TONNES BY YEAR/ MONTH/ DAY





STAFF REPORT

DATE: May 4, 2023

FILE: EASC

TO: Chair and Directors,
Electoral Areas Services Committee

FROM: Dave Leitch
Chief Administrative Officer

RE: CORTES ISLAND CURBSIDE RECYCLING PICKUP REMEDIATION PLAN

PURPOSE/PROBLEM

To provide an update regarding the development of a collection yield remediation plan for Cortes Island as required by Recycle BC.

EXECUTIVE SUMMARY

At the April 12, 2023 Committee meeting, the attached report was received, which outlined the need to increase the yield of recyclable materials collected as part of the curbside program on Cortes Island. The draft plan to increase the yield was submitted to Recycle BC which has accepted the plan. Actions to increase the collection yield will commence on May 16.

The remediation plan outlines the proposed steps including glass collection in the curbside program, additional promotion and education about the service. It also contemplates alternating weeks for recycling and solid waste pickup should the volumes exceed the collection contractor's capacity to collect both waste streams on the same day. Meetings with Recycle BC and the collection contractor are ongoing as we refine the implementation schedule to ensure the service continues to run safely and smoothly, and residents have adequate time to incorporate the changes into the waste management routine.

The summer season typically sees higher volumes of solid waste as well as an influx of visitors to the island. Collection yields are expected to increase due to this seasonal change, which may skew the impact of the campaign.

Staff will continue to provide updates on the plan and any changes to the service delivery as they evolve.

RECOMMENDATION

THAT the report from the Chief Administrative Officer be received.

Respectfully:

A handwritten signature in blue ink, appearing to read "Dave Leitch", is written over a horizontal line. The signature is fluid and cursive.

Dave Leitch
Chief Administrative Officer

Prepared by: S. Fisher, Engineering Services Coordinator

Attachments: Strathcona Regional District – Curbside Collection Remediation Plan – 2023
Copy of April 3, 2023 report to Electoral Areas Services Committee

COPY



April 14, 2023

STRATHCONA REGIONAL DISTRICT – CURBSIDE COLLECTION REMEDIATION PLAN – 2023

Goal – To increase Curbside recycling collection volumes on Cortes Island.

OPPORTUNITIES	STRATEGIES
<ul style="list-style-type: none"> - Current users of the curbside service for household solid waste but who are taking their recyclables to the depot - Current users of the curbside service for household solid waste who may be putting recyclables in the waste stream - Visitors and seasonal residents who may lack awareness of curbside recycling - Increase curbside glass collection - Collaboration with Comox Strathcona Waste Management community campaigns on Cortes Island 	<ul style="list-style-type: none"> - Promote and encourage the use of curbside recycling via direct marketing in user invoices, on social media and on local newspaper and radio - Promote and educate diversion of curbside recyclables from the solid waste stream - Connect with the hospitality and short-term rental sector by placing posters in high-traffic locations - Support and collaborate with the collection contractor on a word-of-mouth campaign - Collaborate with the Area Director on messaging - Work with CSWM on messaging and materials that can be used during community events, promoting curbside recycling

RISKS	MITIGATION
<ul style="list-style-type: none"> - Overwhelming the collection contractor - Increased contamination of curbside recycling - Broken glass posing a risk to collection contractors and depot employees - Inability to reach seasonal residents and tourist community 	<ul style="list-style-type: none"> - Move to alternating weeks for recycling and refuse pick-up - Consider clear plastic bags for refuse to better identify users prone to contamination - Support and collaborate with collection contractor on monitoring and enforcement - Coordinate and discuss proper containment and handling procedures of glass with the collection contractor and depot

STAGE ONE	<ul style="list-style-type: none"> - Create a webpage for the initiative - Create a mail-out insert to include in the annual user fee invoices that are distributed to all curbside customers - Place posters at the depot and high-traffic areas on the island (ferries, grocery store, etc.) including the URL to direct people to where they can find more info - Social Media posts on the local Cortes Island Facebook groups and on the Tideline blog - Update collection contractors' handout and 'oops' notice - Work with the contractor to find a way of safely collecting and separating glass
STAGE TWO	<ul style="list-style-type: none"> - Increase the frequency of Social Media Posts - Provide sound bites for Cortes Radio; consider a radio interview - Work with the Area Director to see if he would like to engage and leverage his Social Media following

SCHEDULE

- March 6th – Meet with CSWM to better understand the depot volumes vs the curbside volumes
- March 10th – Meet with a contractor to discuss requirements, risks, opportunities, and timelines
- April 12th – Present Recycle BC letter to the Regional Board of Directors
- April 15th – Send response letter and Remediation Plan to Recycle BC
- April 15th to May 15th – Liaise with Recycle BC for review and refinement of the Remediation Plan
- May 16th – Initiation of Remediation Plan
- May 29th – 2023 annual Cortes Refuse bill to be sent to residents
- June 27th – Request a summary from Recycle BC on collection volumes (separate glass from commingled) post Plan implementation
- June 29th – Check in with the collection contractor and discuss collection data
- July 15th – Cortes Days – opportunity to distribute information at the event
- August 7th – Check in with the collection contractor
- August 15th – Provide 1st quarterly update to Recycle BC



STAFF REPORT

DATE: April 3, 2023 **FILE:** EASC

TO: Chair and Directors,
Electoral Areas Services Committee

FROM: Dave Leitch
Chief Administrative Officer

RE: CORTES ISLAND CURBSIDE RECYCLING PICKUP REMEDIATION PLAN

PURPOSE/PROBLEM

To consider a letter from Recycle BC requiring the Regional District to develop a collection yield remediation plan for Cortes Island.

EXECUTIVE SUMMARY

On January 25, 2023 staff met with Recycling BC representatives to discuss the recycling volumes being collected through the curbside program on Cortes Island. The volume of recycling being collected is far below the volumes stipulated in the Statement of Work in the contract with Recycle BC and is the lowest volume per household of any curbside program in the Province.

On February 22, 2023 Recycle BC issued a formal letter requiring the SRD to develop a plan by April 15 2023, to increase the volume collected in the curbside program within 90 days. Failure to increase collection yield may result in a decrease to the funding the SRD receives from Recycle BC to subsidize the collection program. A reduction in the subsidy may require an increase in the Cortes Island Solid Waste service user fees.

Following receipt of the letter staff met with representatives from the Comox Strathcona Solid Waste service to better understand the recycling volumes being taken directly to the depot. While significantly more recycling is being taken directly to the depot, to achieve the target collection rate of 45,000kg or 67kg/household, virtually 100% of the eligible materials taken to the depot would need to be collected curbside. Not everyone who takes recycling to the depot is eligible for curbside collection, including commercial properties, material from the outer islands brought to Cortes depot, the Klahoose First Nation, tourists, and live-aboard boat residents. This indicates that we may not be able to achieve the desired volumes stipulated by Recycle BC.

The reasons for not meeting the minimum volume requirements set by Recycle BC for Cortes Island may be significantly correlated to local culture and custom. If the Regional District is unsuccessful in negotiating an agreement with Recycle BC based on achievable goals it is likely that increased tipping and/or collection may need to be considered.

RECOMMENDATION

THAT the report from the Chief Administrative Officer be received.

Respectfully:



A handwritten signature in blue ink, appearing to read 'Dave Leitch', is written over a horizontal line.

Dave Leitch
Chief Administrative Officer

Prepared by: *S. Fisher, Engineering Services Coordinator*

Attachments: Recycle BC's February 22 2023 letter

COPY



Request to Submit: Collection Yield Remediation Plan

February 22, 2023

Attention:

Sheena Fisher
Engineering Services Coordinator
990 Cedar St.
Campbell River, BC V9W 7Z8

Re: Requirement to develop a Collection Yield Remediation Plan

Dear Sheena,

Thank you for taking the time to meet with Brendan and I on January 25, 2023 to discuss the Strathcona Regional District's (SRD) curbside collection program on Cortes Island.

As per our discussion, Recycle BC has concerns regarding the increasing household count and low kilogram per household capture rate observed with Cortes Island's curbside recycling program. As discussed, the SRD's Cortes Island curbside program brings in the lowest volume of material for any curbside program in our network. This is also a unique scenario where the local depot (Cortes Island Depot) receives more volume by weight than the corresponding curbside program.

As discussed in our meeting, section 4 of attachment 5 to schedule 2.1(a) of the Statement of Work outlines a required collection yield of 135 kilograms per household and states that Recycle BC may request a remediation plan be drafted and implemented if the average annual amount of In-Scope PPP collected per Curbside Household by Contractor, in any 12 month period (based on the Curbside Household Baseline) falls below this.

The below table shows annual tonnage in kilograms received from the curbside program on Cortes Island:

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Weight (kg)	3,133	6,290	10,158	6,549	4,745	9,300	4,785	8,712	11,246
Household Count	569	569	569	569	569	569	569	570	603
Kg/Household	5.51	11.05	17.85	11.51	8.34	16.34	8.41	15.28	18.65

** Please note that the first record I have on file of a household count is from April 2019 so this was used to estimate the annual kg/household for years preceding 2019.

For your reference, in comparison to other like size communities in the province, the average capture rate per household averages four times that collected on Cortes Island. As such, Recycle BC is requiring the Strathcona Regional District to develop and submit a Collection Yield Remediation Plan for the curbside collection program by May 15th, 2023, outlining actions and procedures to be implemented (with associate timeframes for each action) for the purpose of increasing the capture rate per household, or in scope, curbside materials to meet program requirements.

The requirement of this plan will be to increase the kg/household rate of material collected on Cortes Island to align with like sized communities throughout the province. Utilizing the most recent household count of 673 homes, this equates to an increased, total annual capture rate of in scope, residential material of 45,000 kgs, or 67 kg/household.

Primary points of concern:

- 1) The household count on the SRD's Cortes Island continues to increase, and the annual tonnage received does not mimic this increase in population;
- 2) The Cortes Island Depot seems to be the favoured material management method on Cortes Island, as demonstrated by the volume of material collected at the depot versus in the curbside program;
- 3) Collection of depot only materials at the curb, such as flexible plastics and foam packaging as part of the SRD's curbside collection offering is in breach of Recycle BC program requirements. These materials are required to be brought to the depot by individual residents;
- 4) Segregated glass can be collected curbside as per your current SOW, pending it is collected and managed separate from other materials. There has not been reported volume for this material since January 2020.

Key Dates and Required Deliverables:

- 1) Submission of a thorough and complete curbside Collection Yield Remediation Plan with a summarized list of all proposed actions/activities to implement and time frames for each action, along with specifics for the planned promotion and education campaign and monitoring strategy by April 15th, 2023;
- 2) April 15th - May 15th will provide an opportunity for review and implementation of revisions. Final plan will be submitted by May 15th, 2023;
- 3) Initiation of the Collection Yield Remediation Plan no later than May 15th, 2023;
- 4) The SRD will provide quarterly updates to Recycle BC starting August 15, 2023, detailing the progress and outcomes of the remediation plan;
- 5) If material volume increase is not observed within 90 days (August 15, 2023, comparing year over year averages) of beginning to execute the plan, the SRD will work with Recycle BC to establish additional changes to address the low capture rate. A meeting will be scheduled to go over the plan implementation and results to date.

Please note that at Recycle BC's discretion, failure to increase collection yield may result in an equitable downward change in the Fees paid to the SRD to reflect the reduces value of the amount of material collected.

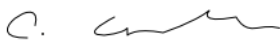
As much detail as possible should be provided in this plan, inclusive of timelines for measuring results.

Thank you for your attention and immediate actions to these concerns.

If you have any questions, please do not hesitate to reach out.

I look forward to hearing from you,

Sincerely,



Christine Combe
Field Services Specialist
Recycle BC
Phone: 604-908-8913
Email: combe@recyclebc.ca

CC: Wolfgang Parada, Senior Manager, Engineering Services, Strathcona Regional District; Brendan McShane, Director Collection, Recycle BC



April 14, 2023

EMAIL ONLY: ccombe@recyclebc.ca

Recycle BC
405-221 West Esplanade
North Vancouver, B.C. V7M 3J3

Dear: Christine Combe

RE: CURBSIDE COLLECTION REMEDIATION PLAN ON CORTES ISLAND – 2023

Thank you for the letter and the opportunity to respond to your requirements. The information you shared at the January 25th meeting told a story that Cortes residents are doing an excellent job of recycling. It's important to focus on successful waste diversion on the island.

In addition to recycling, Cortes residents are also very good at reducing their consumption and reusing materials. The remoteness of the island and the full day of travel required to get there means shopping is done intentionally. Access to consumer goods, especially bulk goods with more packaging, is unavailable on Cortes. Residents must take two ferries to access big box stores and major grocery chains, and they are not in Amazon's delivery range. No Walmart, Costco, or major grocery chains are on the island. They have a small local food Co-op and only a handful of restaurants and stores on the island.

Because of the lack of consumer resources, self-reliance is necessary for this remote community, and a culture of reduce and reuse is deeply ingrained. We acknowledge that curbside collection volumes are low and can understand why you're taking a closer look at this service area. However, circumstances and resident behaviours merit inclusion in the conversation when looking at the curbside volumes. The total volume of recycling collected on the island does not amount to 67kg/household, including the ICI properties and live aboard boat residents who must

990 Cedar Street, Campbell River, BC V9W 7Z8
Tel: 250-830-6700 Fax: 250-830-6710
Toll free: 1-877-830-2990 www.srd.ca

take their recycling directly to the depot. There is also a high number of seasonal and part-time residents.

Our remediation plan is attached for your review, and we are very open to any suggestions for improvement. We are concerned that the 67kg/household threshold is unachievable. We've heard that are other communities in the curbside program with participation rates well below 67kg/household. We feel that it would be more equitable to compare us to communities with similar services, travel time, and costs associated with purchasing the consumer goods that generate recyclable materials. Cortes Island is a remote and unique island community; its uniqueness may make it challenging to find other served remote communities to compare its curbside recycling performance.

We hope you'll consider the Cortes residents' admirable recycling habits, remote location and unique culture as we work through this challenge together. If we were in a position where we could no longer offer curbside recycling, we fear that additional recyclable materials could end up in the garbage collection, which would be a significant digression to our shared goal.

Sincerely,

Sheena Fisher

Sheena Fisher
Engineering Services Coordinator
Strathcona Regional District

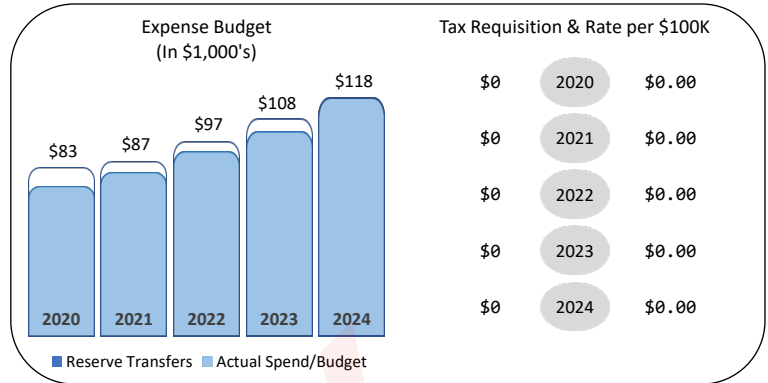
Enclosure: Strathcona Regional District – Curbside Collection Draft Remediation Plan – 2023

cc. Wolfgang Parada – Strathcona Regional District
Brendan McShane – Recycle BC

Service Description

This service provides curbside collection of garbage and recycling from all residents (excluding commercial) on the island through an external contract. Recycling collection is subsidized by Recycle BC.

The SRD is also responsible for collecting revenue and paying for the tipping fees for all waste removed from the CIWMC which is operated by Comox Strathcona Waste Management (CSWM) through Function 374.

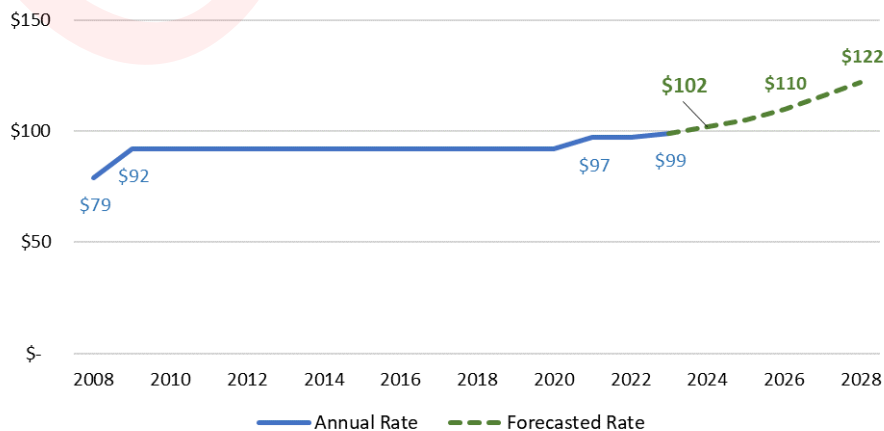


Operating Budget:

	2023 Projection	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Revenue:							
Sales of services	96,734	92,586	98,786	100,838	104,258	108,362	112,466
Transfers from reserves	1,003	15,392	19,124	18,431	16,193	13,294	10,419
Prior year surplus	3,870	-	200	-	-	-	-
	<u>101,607</u>	<u>107,978</u>	<u>118,110</u>	<u>119,269</u>	<u>120,451</u>	<u>121,656</u>	<u>122,885</u>
Expense:							
Operating expenses	101,407	107,978	118,110	119,269	120,451	121,656	122,885
	<u>101,407</u>	<u>107,978</u>	<u>118,110</u>	<u>119,269</u>	<u>120,451</u>	<u>121,656</u>	<u>122,885</u>
Surplus/(Deficit)	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Rate Data:

- Transfers from reserves are adjusted annually to offset any deficit amount. 2023 saw higher Recycle BC Incentive revenues and costs due to recycling pilot project, other costs in line with anticipated spend.
- 2024 User fee revenue budget is based on 684 users at \$102 per year, per Bylaw 497.
- Bylaw 497 includes rate increase in 2025 of \$3, to \$105/yr.
- Liaise with Recycle BC to maintain curbside recycling incentive.
- Explore options to add glass collection to curbside recycling.
- 2026 and beyond forecasted rate increases in the chart below are set to balance the budget. Actual rate increases will be dependent on Recycling BC Incentive amounts, operating reserve draws, continuation of the current pilot program for glass pickup, and any changes in the number of users.



Reserve Summary:



Budget Commentary and Service Goals:

- Revenues consist of user fees and Recycling BC incentive.
- Reserve transfers are set to balance future budgets. Future Recycling BC incentive increases are not known at time of budget and not included in future forecasts.
- Monitor for new construction and capture any additional dwellings for incorporation into the service.
- Support and advocate for waste management initiatives that are both fiscally and environmentally responsible.
- Represent and advocate for the needs of Area B residents on the Regional Solid Waste Advisory Committee Solid Waste Management Plan.



BYLAW NO. 469

A BYLAW TO IMPOSE RATES AND REGULATE USE OF THE CORTES ISLAND SOLID WASTE AND RECYCLABLE MATERIALS COLLECTION SYSTEM

WHEREAS the Strathcona Regional District has, by supplementary letters patent, been authorized to operate a service for the collection and disposal of solid waste and recyclable materials for Cortes Island;

AND WHEREAS the Regional District may, by bylaw, regulate the use of the solid waste and recyclable material collection service including the requirement that persons use the service in accordance with the standards set out in the bylaw;

AND WHEREAS the Regional District may, by bylaw, impose fees and charges payable in respect of a service and, for that purpose, establish different rates for different classes of property, businesses and activities;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

PART 1 - INTERPRETATION

Definitions

1. In this bylaw, unless the context otherwise requires:

“approved receptacle” means a metal, plastic or composite container with a capacity not exceeding 80 (eighty) litres and having a secure, watertight cover or lid.

“dwelling unit” means a self-contained unit consisting of one or more rooms designed, occupied or intended for occupancy as a separate household with sleeping, sanitary and cooking facilities, including single-family residences, condominiums, townhouses, duplex units, apartments, guest homes, garden cottages and strata units but excluding recreational vehicles and mobile homes within mobile home parks.

“improved property” means a parcel upon which a building or buildings have been constructed, placed or erected, or which is occupied for industrial, commercial or residential use.

“Manager” means the Engineering Services Manager appointed from time to time by the Regional District.

“owner” means the person or persons registered under the *Land Title Act* as the owner of the parcel or any other person who is in lawful possession of the parcel or who is in lawful possession or occupancy of any dwelling or other building situated on the parcel.

“premises” means any land or building or both or any part thereof.

“prohibited waste” means materials or substances deemed corrosive, toxic, volatile, explosive or dangerous, or which may present a threat to the health or safety of persons.

“recyclable materials” means any materials accepted at the Comox Strathcona Waste Management Depot on Cortes Island, including dry newsprint/newspaper, dry corrugated cardboard, boxboard, dry mixed waste paper, washed metal food and beverage containers and plastic containers #1-7.

“Regional District” means the Strathcona Regional District.

“residential waste” means rejected, abandoned, discarded or waste materials normally used in a dwelling and shall specifically include waste food, containers used for food, drink or other household items, packaging, floor sweepings, crockery, ashes and cinders, but does not include grass, trees, hedge clippings or any other garden refuse.

“service area” means the portion of Electoral Area B comprising Cortes Island.

PART 2 – COLLECTION SERVICE

Provision of Collection Service

2. The Regional District may provide or cause to be provided a solid waste and recyclable materials collection service within the collection area upon such terms as it considers appropriate.

Recycling System Established

3. A recycling system is hereby established to collect recyclable materials from all residential units within the service area.

Requirement to Use Service

4. Every improved property and dwelling unit within the service area shall be required to use the collection service and, for the purposes of this bylaw, shall be deemed to be a user of the collection service.

Refusal to Collect Solid Waste

5. The Regional District may refuse to collect solid waste from a user of the solid waste collection service that;
 - (a) is not stored for collection in an approved receptacle,
 - (b) is placed for collection at a location other than the point of access to a property from the public road right of way,
 - (c) exceeds the volume or weight limitations set out in this bylaw, or
 - (d) includes prohibited waste or garden refuse

PART 3 – SOLID WASTE

Solid Waste May be Refused

6. In addition to the restrictions set out in section 5, the Regional District may refuse to accept solid waste that contains, includes or comprises packing cases, wood or scrap material from building activity, scrap iron or other scrap metal, waste oil or other petroleum products, hot ashes, liquid waste, bulk chemical composition waste, dead animals, animal cuttings or wastes.

Volume of Waste

7. Each dwelling unit shall be permitted to have collected each week an amount of residential waste that can be easily contained within 2 approved receptacles and which does not exceed a weight of 25 kilograms per receptacle.

Recyclables to be Separated

8. Recyclable materials are exempt from the volume and weight limitations of this bylaw but must be placed in designated containers identified as recycling containers.

Approved Receptacles

9. (1) All Approved Receptacles must be kept on the Improved Property.
- (2) Residential Refuse will only be collected from Approved Receptacles which are placed at the point of access to the property from the public road right of way considered to be frontage.
- (3) Residential Refuse will only be collected from Approved Receptacles within which the Residential Refuse is securely contained with either a plastic bag or sturdy paper bag.
- (4) Approved Receptacles must be easily accessible to the Regional District.
- (5) Receptacles must be covered with watertight lids, and no water or other liquid shall be placed or allowed to accumulate within them.

PART 4 – CONDITIONS OF SERVICE

Owner Responsibilities

10. (1) It is the responsibility of the owner to ensure:
- (a) that receptacles used for the collection of solid waste or recyclable materials are maintained in a safe, sanitary and usable condition in accordance with the standards set out in this bylaw;
- (b) that the Regional District is notified if additional Dwelling Units are added to an Improved Property;
- (c) that all garbage is placed in an approved container;
- (d) that recycling containers are capable of confining and keeping dry the recyclable materials set out for collection and used only for recyclable materials;

- (e) that plastic bags containing garbage are properly tied or sealed before being placed for collection;
- (f) that wet garbage is wrapped in waterproof material and excess moisture is drained before a garbage container is placed for collection;
- (g) that no liquid is deposited in or allowed to accumulate in any garbage container;
- (h) that garbage containers are covered with a waterproof lid before being placed for collection;
- (i) that garbage containers and recyclable containers are placed at the edge of the street adjoining the premises from which they originate; and
- (j) that garbage and recyclable containers are returned to the originating property following collection of their contents.

Suspension of Service

- 11. The Regional District may suspend service to any premise where the design, location or contents of the receptacles or the collection facilities do not comply with the provisions of this bylaw.

Non-Waiver of Fees

- 12. In the event service is suspended in accordance with section 11 such suspension shall not be deemed as a waiver or abatement of any fees, charges or other requirements of this bylaw.

PART 5 – SERVICE FEES

Fees for Collection Service

- 13. The use of the solid waste collection service shall be subject the fees shown on Schedule 'A', attached to and forming part of this bylaw.

Billing Frequency

- 14. Fees charged in accordance with this bylaw shall be billed to users of the service on an annual, quarterly or other basis at the discretion of the Regional District.

PART 6 – GENERAL

Right of Entry

- 15. The Manager or Bylaw Enforcement Officer of the Regional District may enter, at all reasonable times, upon any property subject to this bylaw to ascertain whether the provisions of this bylaw are being contravened.

Penalty

- 16. Any person who violates a provision of this bylaw or who permits any act or thing to be done in contravention of this bylaw commits an offense and is liable on summary conviction to a penalty not exceeding the sum of two thousand dollars (\$2,000.00).

Severability

- 17. If any part of this bylaw is held to be invalid by a court of competent jurisdiction, that part of the bylaw may be severed from the remainder of the bylaw without affecting the validity or enforceability of the remainder.

PART 7 – REPEAL AND TRANSITION

Effective Date

- 18. This bylaw becomes effective on the date of its adoption.

Repeal

- 19. Bylaw No. 1903, being Cortes Island Solid Waste Local Service Area Regulation and Rates Bylaw 1997, as adopted by the Comox-Strathcona Regional District on December 12, 1996 and subsequently amended is repealed in its entirety.

Citation

- 20. This bylaw may be cited for all purposes as Bylaw No. 469, being Cortes Island Solid Waste Collection Rates and Regulations Bylaw 2022.

READ A FIRST TIME ON THE 13TH DAY OF JULY, 2022

READ A SECOND TIME ON THE 13TH DAY OF JULY, 2022

READ A THIRD TIME ON THE 13TH DAY OF JULY, 2022

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE 13TH DAY OF JULY, 2022



Chair

Corporate Officer

Schedule 'A'

Fees for collection of residential refuse and recyclable materials for approved receptacles

	Collection Date	Annual Rate
Two (2) approved solid waste receptacles and unlimited recycling in designated containers per dwelling unit.	2022	\$97.00
	2023	\$99.00
	2024	\$102.00
	2025	\$105.00



SCHEDULE 2.1(a)
STATEMENT OF WORK FOR CURBSIDE COLLECTION SERVICES PROVIDED BY LOCAL
GOVERNMENT

This Statement of Work is incorporated into and forms part of the Master Services Agreement made between Strathcona Regional District ("Contractor") and MMBC Recycling Inc. carrying on business as Recycle BC ("Recycle BC") made as of November 30, 2013 (the "Agreement"). The effective date of this Statement of Work (the "SOW Effective Date") is November 30, 2018.

SECTION 1. Interpretation

1.1 **Definitions.** In this Statement of Work (including the attachments hereto), the following terms will have the following meanings. Capitalized terms used but not defined in this Statement of Work will have the respective meanings ascribed to them in the Agreement.

"**Agreement**" has the meaning set out on the first page of this Statement of Work.

"**Container**" means any reusable bin, box, tote, bag, open container or cart acceptable to Recycle BC used for household storage and curbside set-out of In-Scope PPP in the performance of this Statement of Work but, for the avoidance of doubt, does not include single-use bags.

"**Corrugated Cardboard**" means paper-based material consisting of a fluted corrugated sheet and one or two flat linerboards.

"**Curb**" or "**Curbside**" means a location within one metre of a Public Street or Private Road.

"**Curbside Collection**" has the meaning set out in Section 2.1.

"**Curbside Household**" means a self-contained dwelling unit providing accommodation to one or more people, including (i) single-family dwellings, (ii) buildings with up to four suites and (iii) rowhouses and townhouses, in each case where the resident of each unit is expected to individually deliver In-Scope PPP to the Curb for collection.

"**Curbside Household Baseline**" has the meaning set out in Attachment 5.

"**Customer**" means residents of Curbside Households within the Service Area.

"**Designated Post-Collection Facility**" means the facility at which Contractor delivers Contractor-collected In-Scope PPP to the Designated Post-Collection Service Provider.

"**Designated Post-Collection Service Provider**" means the entity, designated by Recycle BC, to receive Contractor-collected In-Scope PPP.

"**In-Scope PPP**" means the PPP set out in Attachment 2.1.2 and such other materials identified as In-Scope PPP by Recycle BC in writing from time to time.

"**Industrial, Commercial and Institutional**" or "**ICI**" means any operation or facility other than a Curbside Household, including but not limited to industrial facilities such as warehouses, distribution centres, manufacturing facilities; commercial facilities such as retail stores, offices, strip malls and vacation facilities, such as hotels, motels, cottages, cabins and rental, co-operative, fractional ownership, time-share or condominium accommodation associated with sports and leisure facilities (e.g., ski resorts); and, institutional facilities such as schools, churches, community buildings, local government buildings, arenas, libraries, fire halls, police stations and residences at which medical care is provided, such as nursing homes, long-term care facilities and hospices.

"Missed Collection" means any failure of Contractor to collect In-Scope PPP that has been set out by a Customer on the Customer's scheduled collection day by the appointed set out time.

"Not Accepted Materials" means, collectively, any material that is not PPP (as that term is defined in the Agreement).

"Private Road" means a privately-owned and maintained way that allows for access by a service vehicle and that serves multiple residences.

"Public Street" means a public right-of-way used for public travel, including public alleys.

"Service Area" means the geographic area delineated in Attachment 2.1.1.

"Service Commencement Date" means November 30, 2018.

"SOW Effective Date" has the meaning set out on the first page of this Statement of Work.

"SOW Services" has the meaning set out in Section 2.

"SOW Term" has the meaning set out in Section 4.

1.2 Attachments. As of the Effective Date, the following Attachments form part of this Agreement (note that Attachment numbering is not sequential and is based on a related section reference):

<u>Attachment</u>	<u>Description</u>
Attachment 2.1.1	- Service Area
Attachment 2.1.2	- In-Scope PPP
Attachment 3.4	- Service Level Failures
Attachment 5	- Fees

SECTION 2. Services

Contractor will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the "SOW Services"):

2.1 Curbside Collection Services. Beginning on the Service Commencement Date, Contractor will collect In-Scope PPP at Curbside from all Customers within the Service Area as further described in this Section 2.1 ("**Curbside Collection**") and in accordance with the terms of the Agreement and this Statement of Work.

2.1.1 Service Area.

- (a) Contractor will perform Curbside Collection from Curbside Households in the Service Area.
- (b) Changes to the Service Area will be made in accordance with the change process set out in Section 2.2 of the Agreement.
- (c) Notwithstanding the Curbside Household Baseline and subject to Sections 2.1.2(g) and 2.1.4(e), Contractor is obligated to provide Curbside Collection from all Curbside Households in the Service Area.

- (d) Contractor will collect In-Scope PPP only from ICI locations approved by Recycle BC in advance. Recycle BC shall have the right, exercisable at any time in its sole discretion, to revoke its approval of any one or more ICI locations.
- (e) Contractor will not be entitled to receive any Fees or other payments in respect of In-Scope PPP collected from ICI locations and will be solely responsible for all costs associated with the collection and post-collection management of In-Scope PPP collected from ICI locations. Recycle BC reserves the right to develop and apply a methodology, at its own sole discretion, for calculating the amount of In-Scope PPP from ICI locations included in the Contractor-collected In-Scope PPP delivered to the Designated Post-Collection Facility (the "**Determined ICI Amount**"). Without limiting the generality of the foregoing, Contractor acknowledges and agrees that Contractor will be solely responsible for any costs or fees charged by the Designated Post-Collection Service Provider in respect of the Determined ICI Amount.

2.1.2 PPP Materials.

- (a) Contractor will collect (i) all In-Scope PPP from all Customers that is placed in Containers (including both Contractor-provided and Customer-owned Containers) and (ii) any Corrugated Cardboard that is flattened and stacked by the Customers' Container (or stacked alone if no Container is present).
- (b) Materials collected by Contractor may not contain more than 3% by weight of Not Accepted Materials. Loads exceeding 3% by weight of Not Accepted Materials may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
- (c) Materials collected by Contractor may not contain (i) any packaging containing hazardous or special waste or (ii) Categories 4, 5 or 9.
- (d) If Contractor collects In-Scope PPP in multi-stream, Contractor must ensure that:
 - (i) loads of Categories 1, 2 and 3(b) do not contain more than 1% by weight of Categories 3(a), 6 and 7; and
 - (ii) loads of Categories 3(a), 6 and 7 do not contain more than 3% by weight of Categories 1, 2 and 3(b).
- (e) Subject to Section 2.1.2(h), Contractor must ensure that loads of Categories 1, 2, 3(a), (3(b), 6 and 7 (whether collected in a single stream or a multi-stream) do not contain more than 3% by weight of Category 8.
- (f) If Contractor collects Category 8 segregated from other In-Scope PPP, Contractor must ensure that such material stream does not contain more than 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate). Loads of segregated Category 8 exceeding 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate) may be subject to rejection by the Designated Post-Collection Service Provider and may result in Service Level Failure Credits.
- (g) Contractor will implement and maintain reasonable procedures to ensure that loads delivered to the Designated Post-Collection Facility comply with the requirements set forth in this Section 2.1.2, including procedures to monitor the content of collected materials and procedures to notify and reject material from

Customers who do not comply with such requirements. Such procedures are subject to review by Recycle BC at any time and from time to time. If Recycle BC determines that such procedures are inadequate, Contractor will adopt such procedures as Recycle BC may reasonably require in order to ensure compliance with this Section 2.1.2.

- (h) If immediately prior to the SOW Effective Date Contractor (i) did not provide Curbside Collection from Curbside Households in the Service Area or (ii) did not provide Curbside Collection from Curbside Households in the Service Area pursuant to a statement of work with Recycle BC, Contractor will not be required to comply with Section 2.1.2(e) until the six month anniversary of the Service Commencement Date. If Contractor is not in compliance with Section 2.1.2(e) by the six month anniversary of the Service Commencement Date, Contractor will, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to reduce the quantity of Category 8 to the required level. Following approval of the remediation plan by Recycle BC, Contractor will use its best efforts to implement the plan and provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If Contractor is not in compliance with Section 2.1.2(e) within 90 days after implementing the remediation plan, Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to achieve the stated objective.

2.1.3 Collection.

- (a) Contractor will not place limits on the quantity of In-Scope PPP collected from Customers.
- (b) Contractor will pick up In-Scope PPP placed by Customers (in accordance with Section 2.1.2(a)) at the Curb along the collection vehicle route, which may be a Public Street or a Private Road.
- (c) Subject to Section 2.1.3(d), Contractor will perform Curbside Collection from each Curbside Household in the Service Area no more frequently than weekly and no less frequently than bi-weekly.
- (d) If Contractor collects Category 8 segregated from other In-Scope PPP, Contractor will collect Category 8 from each Curbside Household in the Service Area no more frequently than weekly and no less frequently than once every month.
- (e) Contractor will make collections in an orderly, non-disruptive, and quiet manner, and will return Containers (including, in the case of carts, with their lids closed) in their set out location in an orderly manner. The location of returned Containers should not block sidewalks, driveways, or on street parking.
- (f) If Contractor provided Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will provide Curbside Collection services that meet or exceed the level of service provided by Contractor prior to the Service Commencement Date.

2.1.4 Containers.

- (a) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, Contractor will, at Contractor's cost, provide Containers to each Curbside Household in the Service Area that provide Customers with sufficient volume to accommodate In-Scope PPP generated by Customers between collections so that Container capacity is not a barrier to Customer use of the Curbside Collection service.
- (b) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, if Curbside Households or geographical areas are added to a Service Area under Section 2.1.1(b), Contractor will deliver Containers to any new Curbside Households added to the Service Area at least ten Business Days prior to the start date provided by Recycle BC.
- (c) Except to the extent and on the conditions otherwise approved by Recycle BC in writing, Contractor will deliver a Container to a requesting Customer within seven Business Days of the Customer's initial request.
- (d) If any Customers choose to provide their own Containers, Contractor will handle the Customer-owned Containers in such a way as to prevent undue damage, and Contractor will be responsible for unnecessary or unreasonable damage to Customer-owned Containers.
- (e) In the event that a particular Customer repeatedly damages a Container or requests more than one replacement Container more frequently than a time period allowing for reasonable wear and tear during the SOW Term, Contractor may charge Customer for the depreciated value of the replaced Container. In the event that the problem continues, Contractor may discontinue service to that Customer provided Recycle BC provides prior written approval.
- (f) If Contractor did not provide Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will deliver Containers that meet the requirements set out in this Agreement to each Customer in the Service Area at least ten Business Days prior to the Service Commencement Date unless otherwise approved by Recycle BC in writing.
- (g) Contractor may not collect In-Scope PPP in single-use bags except in accordance with Section 2.1.4(h).
- (h) If Contractor provided Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date and, at such time, collected In-Scope PPP in single-use bags, Contractor will:
 - (i) except to the extent and on the conditions otherwise approved by Recycle BC in writing, deliver Containers that meet the requirements set out in this Agreement to each Curbside Household in the Service Area at least ten Business Days prior to July 1, 2020; and
 - (ii) not collect In-Scope PPP in single-use bags after July 1, 2020.
- (i) If Contractor (i) is transitioning from single-use bags to Containers pursuant to Section 2.1.4(h) or (ii) proposes to change the type of Container it uses for Curbside Collection in the Service Area, Contractor will submit a detailed

transition plan to Recycle BC a minimum of six months prior to the scheduled or planned change. Any change to the type of Containers used for Curbside Collection in the Service Area is subject to approval in writing by Recycle BC, which approval will not be unreasonably withheld.

2.1.5 Designated Post-Collection Facility.

- (a) Contractor will deliver all collected In-Scope PPP to the Designated Post-Collection Facility on the day of collection, unless alternative arrangements have been approved in writing by Recycle BC. If Contractor is unable to deliver collected In-Scope PPP to the Designated Post-Collection Facility on the day of collection for an unforeseen reason outside Contractor's reasonable control, Contractor will deliver such collected In-Scope PPP to the Designated Post-Collection Facility as soon as possible thereafter and will store such In-Scope PPP during the interim in a safe and secure manner. Contractor may not charge any amounts to the Designated Post-Collection Service Provider in connection with such storage. Contractor will not deliver In-Scope PPP to any location other than the Designated Post-Collection Facility or dispose of any collected In-Scope PPP without prior written authorization from Recycle BC.
- (b) Contractor will deliver all collected In-Scope PPP to the Designated Post-Collection Facility segregated, at a minimum, in the manner set out in Attachment 2.1.2.
- (c) If Contractor collects Categories 1, 2, 3(a), 3(b), 6 and 7 in multi-stream, Contractor must (i) unload Categories 1, 2 and 3(b) in a separate bunker or other location than Categories 3(a), 6 and 7 and (ii) unload Categories 3(a), 6 and 7 in a separate bunker or location than Categories 1, 2 and 3(b), in each case as directed by the Designated Post-Collection Service Provider. Loads delivered in violation of this Section 2.1.5(c), including as a result of driver error or mechanical failure, may be subject to a Service Level Failure Credit.
- (d) Contractor will follow all reasonable instructions and procedures regarding the delivery of In-Scope PPP as directed by the Designated Post-Collection Service Provider and Recycle BC, including but not limited to instructions and procedures pertaining to health and safety, delivery and unloading of In-Scope PPP, audit procedures and weigh scale operation.
- (e) If Contractor is scheduled to collect In-Scope PPP from Curbside Households in the Service Area on a holiday, Contractor will coordinate directly with the Designated Post-Collection Service Provider a minimum of ten Business Days in advance of such holiday in order to schedule the delivery of such In-Scope PPP.
- (f) If the Service Area is within the Metro Vancouver Regional District, the Designated Post-Collection Facility will be located within 30 minutes (on average based on typical traffic conditions between 10 am and 2 pm Monday to Friday) from the Service Area boundary at the point of least distance to the Designated Post-Collection Facility.
- (g) If the Service Area is not within Metro Vancouver Regional District, the Designated Post-Collection Service Provider will locate the Designated Post-Collection Facility within 60 kilometers from the Service Area boundary at the point of least distance to Designated Post-Collection Facility. If delivery to the Designated Post-Collection Facility requires the use of a ferry, then delivery boundary is the ferry terminal and the portion of the trip that requires ferry travel is to be the responsibility of the Designated Post-Collection Service Provider. If

the Designated Post-Collection Service Provider has used commercially reasonable efforts to locate the Designated Post-Collection Facility within such area but is unable to do so, Contractor will not be required to deliver In-Scope PPP to the Designated Post-Collection Facility except on terms mutually acceptable to Contractor and the Designated Post-Collection Service Provider.

- (h) Recycle BC may change the location of the Designated Post-Collection Facility upon 30 days' written notice. If Recycle BC changes the location of the Designated Post-Collection Facility such that the new location is greater than 10 kilometers beyond the applicable maximum distance set out in Section 2.1.5(f) or (g), as the case may be, such change will be made pursuant to the change process in Section 2.2 of the Agreement (provided that Contractor may not refuse such a change).
- (i) Unless Recycle BC otherwise agrees in writing, Contractor may not consolidate or otherwise sort In-Scope PPP collected from Customers in the Service Area before delivering such materials to the Designated Post-Collection Facility. Such approval may be subject to such conditions or procedures as Recycle BC considers appropriate or necessary in the circumstances and may be revoked at any time by Recycle BC in its sole discretion, including without limitation if Contractor has failed to comply with such conditions or procedures.
- (j) If the Designated Post-Collection Service Provider rejects a load of In-Scope PPP from Contractor due to a verified claim that such load contains more than 3% by weight of Not Accepted Materials or contains any hazardous or special waste, Recycle BC reserves the right to designate alternative procedures and requirements associated with that load and to deduct any additional costs associated therewith from the Fees otherwise due to Contractor.

2.1.6 Spillage.

- (a) All loads collected by Contractor will be completely contained in collection vehicles at all times, except when material is actually being loaded. Hoppers on all collection vehicles will be cleared frequently to prevent the occurrence of blowing or spillage.
- (b) Any spillage of materials that occurs during Curbside Collection will be immediately cleaned up or removed by Contractor at its sole expense. Contractor will keep accurate records of each occurrence of spillage and of its clean-up, and will make such records available to Recycle BC on request and, if requested by Recycle BC, as part of a regular report to be delivered with such frequency as requested by Recycle BC (but not more frequently than monthly). Contractor expressly acknowledges it is solely responsible for any violations of Applicable Law that may result from said spillage.
- (c) Without limiting Section 2.1.6(b) above, Contractor will maintain all collection vehicles to ensure that no liquid wastes (e.g., leachate) or oils (e.g., lubricating, hydraulic, or fuel) are discharged to Customer premises or Public Streets or Private Roads. All collection and route supervisor vehicles used by Contractor will be equipped with a spill kit sufficient in size to contain a spill of equivalent volume to the largest lubricating, hydraulic or fuel tank on the largest collection vehicle. Any discharge of liquid wastes or oils that may occur from Contractor's collection vehicles prior to them being removed from service will be cleaned up or removed by Contractor within three hours of being noticed by route staff, Customers, or Recycle BC, and will be remediated by Contractor at its sole expense. Such clean-up or removal will be documented with pictures, and notice

of such clean-up or removal will be provided to Recycle BC in writing. Contractor will immediately notify the Recycle BC-designated spill coordinator of any spills that enter ground-water or drainage systems.

2.1.7 Routes.

- (a) Contractor Curbside Collection routes may not extend outside the Service Area. Contractor collection vehicles used to perform Curbside Collection may only be used for collection services outside the Service Area or for any other use if they are emptied before and after such other use and Contractor has obtained prior approval from Recycle BC in writing.

2.1.8 Pilot programs.

- (a) Recycle BC may wish to test or implement one or more new services or developments in PPP material segregation, processing, or collection technology. Recycle BC will notify Contractor in writing at least 90 days prior of its intention to implement a pilot program or of its intentions to utilize a new technology system in the Service Area. The allocation of any costs (or savings) accrued by Recycle BC-initiated pilot programs will be negotiated prior to implementation pursuant to the change process in Section 2.2 of the Agreement. If Recycle BC deems the pilot a success, and desires to incorporate the service or development represented in the pilot program into this Statement of Work, such a change will be made pursuant to the change process in Section 2.2 of the Agreement.
- (b) Contractor-initiated pilot programs will require prior written notification to and written approval by Recycle BC. Contractor-initiated pilot programs will be performed at no additional cost to Recycle BC.

2.2 Customer Service and Management. As part of Curbside Collection, Contractor will provide the following services:

2.2.1 Customer Service Requirements

- (a) Contractor's Customer service office and call center will be accessible by a local area code and prefix phone number. Customer service representatives will be available through Contractor's call center during office hours for communication with Customers and Recycle BC representatives. Customer calls will be taken during office hours by a person, not by voice mail. During all non-office hours for the call center, Contractor will have an answering or voice mail service available to record messages from all incoming telephone calls, and include in the message an emergency telephone number for Customers to call outside of normal office hours in case of an emergency.
- (b) Contractor will maintain a 24 hour emergency telephone number for use by Recycle BC. Contractor will have a representative, or an answering service to contact such representative, available at such emergency telephone number for Recycle BC-use during all hours, including normal office hours.
- (c) Contractor's Customer service representatives will have instantaneous electronic access to Customer service data and history to assist them in providing excellent Customer service.

2.2.2 Customer Service Representative Staffing

- (a) Contractor will maintain sufficient staffing to answer and handle complaints and service requests in a timely manner made by all methods, including telephone, letters, e-mails and text messages. If staffing is deemed to be insufficient by Recycle BC to handle Customer complaints and service requests in a timely manner, Contractor will increase staffing levels to address the performance deficiency.
- (b) If Contractor did not provide Curbside Collection from Curbside Households in the Service Area immediately prior to the Service Commencement Date, Contractor will provide additional staffing from Service Commencement Date through the four month anniversary of the Service Commencement Date to ensure that sufficient staffing is available to minimize Customer waits and inconvenience. Contractor will receive no additional compensation for increased staffing levels during the implementation period. Staffing levels during the implementation period will be subject to prior Recycle BC review and approval.

2.2.3 Customer Complaints and Requests

- (a) Contractor will record all Customer complaints and service requests, regardless of how received, including date, time, Customer's name and address, if the Customer is willing to give this information, method of transmittal, and nature, date and manner of resolution of the complaint or service request in a computerized daily log. Any telephone calls received via Contractor's non-office hours voice mail or answering service will be recorded in the log the following Business Day. Contractor will make a conscientious effort to resolve all complaints and service requests within 24 hours of the original contact. If a longer response time is necessary for complaints or requests, the reason for the delay will be noted in the log, along with a description of Contractor's efforts to resolve the complaint or request.
- (b) Contractor's customer service log will be available for inspection by Recycle BC during Contractor's office hours, and will be in a format approved by Recycle BC. Contractor will provide a copy of this log in an electronic format from the Microsoft Office suite of software to Recycle BC on request and, if requested by Recycle BC, as part of a regular report to be delivered with such frequency as requested by Recycle BC (but not more frequently than monthly).

2.3 Promotion and Education.

- 2.3.1 Contractor will have primary responsibility for executing public promotion, education, and outreach programs associated with the collection of In-Scope PPP. Contractor will incorporate Recycle BC-developed communications messages and images in Contractor public promotion, education, and outreach programs.
- 2.3.2 Recycle BC reserves the right, at its sole discretion, to require Contractor to seek advance approval of any or all public promotion, education and outreach materials associated with the collection of In-Scope PPP, including but not limited to recycling guides, collection calendars, website content and "oops tags."
- 2.3.3 If Contractor receives Resident Education Top Up payments in accordance with Attachment 5, Contractor must spend the total amount of the Resident Education Top Up payments paid to Contractor on promotion, education and outreach programs on an annual basis.

- 2.3.4 Except for logos of the applicable local government, Recycle BC, Contractor or any sub-contractor of Contractor, Contractor may not affix or otherwise include any logo of, or any reference to, any other party or person on a Container in any manner whatsoever, including stickers and hot stamps.
- 2.3.5 Contractor will have primary responsibility for providing Customers service-oriented information such as dates and times of Curbside Collection.
- 2.4 Transition and Implementation Services. If immediately prior to the SOW Effective Date Contractor (i) did not perform Curbside Collection from Curbside Households in the Service Area or (ii) did not provide Curbside Collection from Curbside Households in the Service Area pursuant to a statement of work with Recycle BC, Contractor will, beginning on the SOW Effective Date and with Recycle BC's input, develop and submit to Recycle BC no later than two weeks after the SOW Effective Date a transition and implementation plan (the "**Transition and Implementation Plan**") for implementing Curbside Collection, including a specific timeline as to when different activities and events will occur, details of how different events impact other events in the timeline, and the process to be used to ensure that implementation occurs on the Service Commencement Date with no disruption. The Transition and Implementation Plan will cover the entire period from the SOW Effective Date to and including the six month anniversary of the Service Commencement Date. Contractor will describe in detail what is involved with each of the activities and events listed in the Transition and Implementation Plan. Finalization of the Transition and Implementation Plan will be subject to Recycle BC's prior approval.

SECTION 3. Performance Standards and Operational Requirements

- 3.1 Personnel Conduct. Contractor personnel performing Curbside Collection will at all times be courteous, refrain from loud, inappropriate or obscene language, exercise due care, perform their work without delay, minimize noise, and avoid damage to public or private property. If on private property, Contractor personnel will follow the regular pedestrian walkways and paths, returning to the street after replacing empty Containers. Contractor personnel will not trespass or loiter, cross flower beds, hedges, or property of adjoining premises, or meddle with property that does not concern them or their task at hand.
- 3.2 Vehicle Standards. Without limiting any other requirements or obligations of Contractor, Contractor will meet or exceed the following standards in respect of collection vehicles used to perform Curbside Collection:
- 3.2.1 All collection vehicles will be maintained in a clean and sanitary manner, and will be thoroughly washed at least once each week. All collection vehicles will have appropriate safety markings, including all highway lighting, flashing and warning lights, clearance lights, and warning flags, all in accordance with applicable law. All collection vehicles and all parts and systems of all collection vehicles will operate properly and be maintained in a condition compliant with all applicable laws, good industry standards, and be in a condition satisfactory to Recycle BC. Any vehicles not meeting these standards will not be used within the Service Area until repairs are made. All collection vehicles will be equipped with variable tone or proximity activated reverse movement back-up alarms.
- 3.2.2 Contractor will maintain all vehicles used in the performance of Curbside Collection in a manner intended to achieve reduced emissions and particulates, noise levels, operating costs, and fuel use.
- 3.3 SOW Record and Reporting Requirements.
- 3.3.1 Service Delivery Reporting. In addition to the record keeping and reporting requirements in the Agreement, Contractor will:

- (a) maintain an electronic record of all calls related to Missed Collections and the response provided by Contractor;
- (b) maintain an electronic record of all Customer requests, complaints and inquiries, including Customer name, mailing address, contact information (both telephone number and e-mail, if available), property name and service address, if different from mailing address, date of contact, reason for contact, results of Customer request, complaint or inquiry, resulting changes, additional follow-up needed, follow-up conducted, results of follow-up, and list of educational or outreach materials provided;
- (c) maintain such other records as may be requested by Recycle BC, including:
 - (i) tonnage by collection date and weight scale ticket (which must include the collector name and truck number);
 - (ii) customer communications related to Curbside Collection including telephone calls, letters, e-mails, text messages or webpage messages received; and
 - (iii) notices left for Customers;
- (d) make all records maintained pursuant to this Statement of Work available to Recycle BC upon request and, if requested by Recycle BC, provide a regular (but no more frequently than monthly) report to Recycle BC, in a format and by a method approved by Recycle BC, setting out or summarizing (at Recycle BC's discretion) such records as may be indicated by Recycle BC for the reporting period;
- (e) upon Recycle BC's request, provide up to two reports each year on associated collection metrics necessary to the calculation of the greenhouse gas emissions associated with the performance of Curbside Collection; and
- (f) upon Recycle BC's request, provide up to four ad-hoc reports each year, at no additional cost to Recycle BC. These reports may include Customer service database tabulations to identify specific Service Level or participation patterns or other similar information. Reports will be provided in Recycle BC-defined format and software compatibility. These reports will not require Contractor to expend more than 60 staff hours per year to complete.

3.3.2 Claims Reporting

- (a) At Recycle BC's discretion, responsibility for claim reporting under Section 3.3.2(b) shall be assigned by Contractor to the Designated Post-Collection Service Provider.
- (b) All loads must be documented by Contractor or the Designated Post-Collection Service Provider, as the case may be, in a manner specified by Recycle BC from time to time, including by a certified scale ticket provided by the Designated Post-Collection Service Provider, with Contractor name and address, Designated Post-Collection Service Provider name and address, date, time, truck number, net weight by material type (by material types set out in Attachment 2.1.2) and such other information as Recycle BC may designate (collectively, "**Claim Information**"). Claim Information with respect to any delivery of In-Scope PPP to

the Designated Post-Collection Facility must be submitted within 10 Business Days of the delivery date.

- (c) Recycle BC will issue a claim summary to Contractor based on Claim Information directly provided to Recycle BC pursuant to Section 3.3.2(b), and Contractor will review the claim summary for accuracy. Contractor must report to Recycle BC any content in the claim summary that Contractor disputes within five days of the claim summary being issued.
- (d) After Recycle BC has approved the Claim Information, Recycle BC will issue a purchase order to Contractor, including a reference number. Recycle BC may, at its discretion, choose to issue payment to Contractor based on the approved purchase order without the need for Contractor to submit an invoice. Where invoices are required by Recycle BC, Contractor will invoice Recycle BC using the contact information provided by Recycle BC for such purpose (as may be updated by Recycle BC from time to time).
- (e) Standard tare weights for specific trucks may only be used on specific written permission of Recycle BC.

3.4 Service Levels. If Contractor fails to meet any Service Level set out in Attachment 3.4, Recycle BC will be entitled to the applicable Service Level Failure Credits set out in Attachment 3.4.

SECTION 4. SOW Term

This Statement of Work will commence on the SOW Effective Date and its initial term will continue until December 31, 2023. Recycle BC may extend this Statement of Work for up to two further periods of one year each by giving Contractor notice in writing not less than 180 days before the expiration of the initial term or any such additional term or terms. The initial term and any such additional term or terms are herein referred to as the "SOW Term".

SECTION 5. Fees

The Fees payable by Recycle BC for the performance by Contractor of the SOW Services are set out in Attachment 5 to this Statement of Work, and such Fees begin after the Service Commencement Date. For the avoidance of doubt, Contractor acknowledges and agrees that it will not be entitled to receive any Fees in respect of In-Scope PPP collected from ICI locations.

SECTION 6. Additional Terms

- 6.1 No Double Charge. Contractor will not directly or indirectly charge Customers, including without limitation by way of tax, levy or other surcharge, for the cost of providing the SOW Services if and to the extent that such costs are covered by Fees (prior to deducting any Service Level Failure Credits) or other payments Contractor is entitled to receive from Recycle BC under this Statement of Work.
- 6.2 Scavenging Forbidden. Contractor will not scavenge, or permit any employee (or, at the request of Recycle BC, any other person) to scavenge, any materials (including, if permitted by law, materials other than In-Scope PPP that have been set out to be collected by other collection service providers) at any time and at any location during Contractor's performance of the SOW Services or otherwise.
- 6.3 Risk. Contractor will be responsible for all risks, including risk of loss of, or damage caused by, the In-Scope PPP from the time the In-Scope PPP is collected by Contractor until delivery to the Designated Post-Collection Facility. In-Scope PPP will be deemed to be delivered when off-

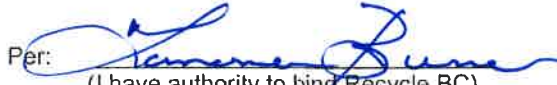
loaded from Contractor's vehicles at the Designated Post-Collection Facility and accepted by the signature of an authorized representative of the Designated Post-Collection Service Provider. Contractor will be responsible for the cost of any damage to Containers or the Designated Post-Collection Facility caused by Contractor.

(Signature page follows.)

COPY

IN WITNESS WHEREOF the parties have executed this Statement of Work effective as of the SOW Effective Date.

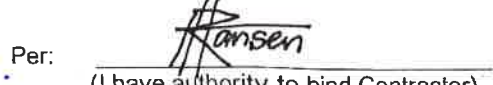
MMBC RECYCLING INC.

Per: 
(I have authority to bind Recycle BC)

Name: TAMARA BURNS
(Please Print)

Title: SVP Western Operations

STRATHCONA REGIONAL DISTRICT

Per: 
(I have authority to bind Contractor)

Name: Ralda Hansen
(Please Print)

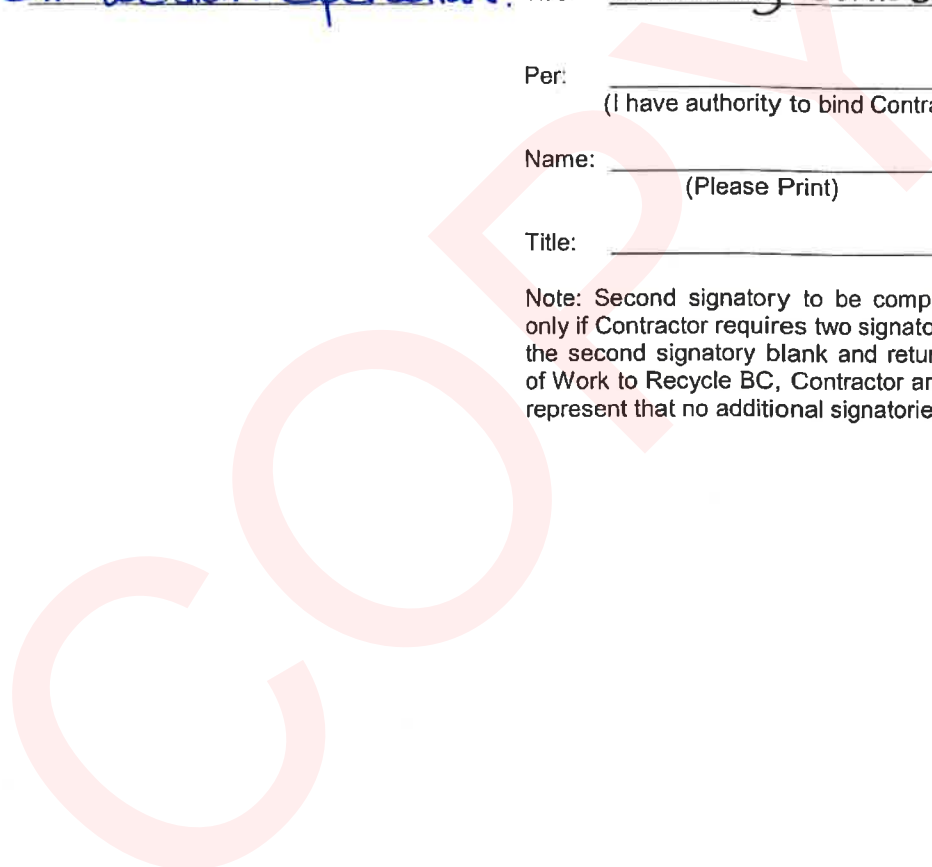
Title: Community Services Manager

Per: _____
(I have authority to bind Contractor)

Name: _____
(Please Print)

Title: _____

Note: Second signatory to be completed by Contractor only if Contractor requires two signatories (and by leaving the second signatory blank and returning the Statement of Work to Recycle BC, Contractor and the first signatory represent that no additional signatories are required).



**ATTACHMENT 2.1.1 TO SCHEDULE 2.1(a)
DESIGNATED SERVICE AREA**

1. Under this Statement of Work, the initial Curbside Household Baseline will be 5.
2. The Service Area is:

Stratchcona Electoral Area B - Cortes Island

COPY

ATTACHMENT 2.1.2 TO SCHEDULE 2.1(a)
IN-SCOPE PPP

For the purpose of this Statement of Work, In-Scope PPP will mean the material described in the categories of PPP below that have been selected as indicated by an x in the associated check box (and the In-Scope PPP shall be segregated, at a minimum, in the streams that have been selected below):

- PPP, in single stream, in Category 1, Category 2, Category 3(a), Category 3(b), Category 6 and Category 7.
- PPP, in multi stream, in Category 1, Category 2, and Category 3(b) which may be comingled together, but must be segregated from all other PPP.
- PPP, in multi stream, in Category 3(a), Category 6 and Category 7 which may be comingled together, but must be segregated from all other PPP.
- PPP in Category 8, segregated from all other PPP.

To the extent beverage containers as defined in Schedule 1 of the *Recycling Regulation* to the *Environmental Management Act* (BC) are comingled with In-Scope PPP to be collected by Contractor, such beverage containers shall be deemed to be In-Scope PPP for the purposes of this Statement of Work, with polycoated beverage containers defined as Category 3(a), plastic beverage containers defined as Category 6, metal beverage containers defined as Category 7 and glass beverage containers defined as Category 8.

**ATTACHMENT 3.4 TO SCHEDULE 2.1(a)
SERVICE LEVEL FAILURES**

Contractor will incur the following Service Level Failure Credits on the following Service Level Failures; provided, however, that the aggregate amount of Service Credit Level Failures in respect of any calendar year shall not exceed the aggregate amount of Fees payable to Contractor in respect of such calendar year:

	Service Level Failure	Service Level Failure Credit												
1	Overstatement of Curbside Households or understatement of Industrial, Commercial and Institutional locations in the Service Area.	\$5,000 per incident.												
2	Failure to provide a required report pursuant to Section 3.3.1 on time.	\$500 per day past deadline.												
3	Failure to separate In-Scope PPP collected from Curbside Households in the Service Area from materials collected outside of the Service Area without prior written approval from Recycle BC.	\$5,000 per route, plus \$3,000 per month (pro-rated in the case of a partial month) until the Service Level Failure has been remedied or a request for approval has been approved in writing by Recycle BC.												
4	If the Curbside Household Baseline does not exceed 25,000, a delivery of materials to the Designated Post-Collection Facility that contains more than 3% by weight of Not Accepted Materials.	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount</p> <p>For the purpose of this Service Level Failure, the "Per Load Amount" in respect of any year will be determined by the Curbside Household Baseline for such year, in accordance with the following table:</p> <table border="1" data-bbox="987 1373 1312 1604"> <thead> <tr> <th data-bbox="987 1373 1166 1457">Curbside Household Baseline</th> <th data-bbox="1166 1373 1312 1457">Per Load Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="987 1457 1166 1488">10,000-25,000</td> <td data-bbox="1166 1457 1312 1488">\$5,000</td> </tr> <tr> <td data-bbox="987 1488 1166 1520">5,000-9,999</td> <td data-bbox="1166 1488 1312 1520">\$3,750</td> </tr> <tr> <td data-bbox="987 1520 1166 1551">2,500-4,999</td> <td data-bbox="1166 1520 1312 1551">\$2,500</td> </tr> <tr> <td data-bbox="987 1551 1166 1583">499-2,499</td> <td data-bbox="1166 1551 1312 1583">\$1,250</td> </tr> <tr> <td data-bbox="987 1583 1166 1604">0-499</td> <td data-bbox="1166 1583 1312 1604">\$500</td> </tr> </tbody> </table>	Curbside Household Baseline	Per Load Amount	10,000-25,000	\$5,000	5,000-9,999	\$3,750	2,500-4,999	\$2,500	499-2,499	\$1,250	0-499	\$500
Curbside Household Baseline	Per Load Amount													
10,000-25,000	\$5,000													
5,000-9,999	\$3,750													
2,500-4,999	\$2,500													
499-2,499	\$1,250													
0-499	\$500													
5	If the Curbside Household Baseline exceeds 25,000, a delivery of materials to the Designated Post-Collection Facility that contains more than 3% by weight of Not Accepted Materials.	The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.												

	Service Level Failure	Service Level Failure Credit												
		<p>For the purpose of this Service Level Failure, the "Per Load Amount" will initially be \$5,000. If Contractor is required to make one or more payments in respect of this Service Level Failure in respect of any year, the Per Load Amount for the following year will be automatically increased by \$5,000 (to a maximum of \$20,000). If Contractor is not required to make any payments in respect of this Service Level Failure in respect of a particular year, the Per Load Amount for the following year will be reset at \$5,000.</p>												
6	<p>If Contractor collects Categories 1, 2, 3(a), 3(b), 6 and 7 in multi-stream, delivery of a load in violation of Section 2.1.5(c).</p>	<p>\$1,000 per load.</p>												
7	<p>Delivery of a load of Category 8 to the Designated Post-Collection Facility that contains more than 1.5% by weight of Not Accepted Materials and other categories of In-Scope PPP (individually or in the aggregate).</p>	<p>The Per Load Amount for each weigh-scale ticketed load that results in a Service Level Failure, provided that the aggregate Service Level Failure Credit for this Service Level Failure in respect of any calendar year shall not exceed 24 times the applicable Per Load Amount.</p> <p>For the purpose of this Service Level Failure, the "Per Load Amount" in respect of any year will be determined by the Curbside Household Baseline for such year, in accordance with the following table:</p> <table border="1" data-bbox="976 1320 1300 1551"> <thead> <tr> <th data-bbox="976 1320 1154 1404">Curbside Household Baseline</th> <th data-bbox="1154 1320 1300 1404">Per Load Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="976 1404 1154 1436">10,000+</td> <td data-bbox="1154 1404 1300 1436">\$5,000</td> </tr> <tr> <td data-bbox="976 1436 1154 1467">5,000-9,999</td> <td data-bbox="1154 1436 1300 1467">\$3,750</td> </tr> <tr> <td data-bbox="976 1467 1154 1499">2,500-4,999</td> <td data-bbox="1154 1467 1300 1499">\$2,500</td> </tr> <tr> <td data-bbox="976 1499 1154 1530">499-2,499</td> <td data-bbox="1154 1499 1300 1530">\$1,250</td> </tr> <tr> <td data-bbox="976 1530 1154 1551">0-499</td> <td data-bbox="1154 1530 1300 1551">\$500</td> </tr> </tbody> </table>	Curbside Household Baseline	Per Load Amount	10,000+	\$5,000	5,000-9,999	\$3,750	2,500-4,999	\$2,500	499-2,499	\$1,250	0-499	\$500
Curbside Household Baseline	Per Load Amount													
10,000+	\$5,000													
5,000-9,999	\$3,750													
2,500-4,999	\$2,500													
499-2,499	\$1,250													
0-499	\$500													
8	<p>The occurrence of a Labour Disruption, if Contractor fails to (i) implement its Business Continuity Plan in respect of such Labour Disruption or (ii) fails to comply with Section 4.6.1 or 4.6.2 in respect of such Labour Disruption.</p>	<p>An equitable reduction in the Fees to reflect the value of any SOW Services not received by Recycle BC plus \$5,000 per day of Labour Disruption.</p>												
9	<p>Contractor delivers In-Scope PPP to any location, such as a landfill, incinerator or energy recovery facility, other than the Designated Post-Collection Facility without the prior written permission of Recycle BC</p>	<p>\$25,000 per incident.</p>												

**ATTACHMENT 5 TO SCHEDULE 2.1(a)
FEES**

1. In this Attachment, the following terms will have the following meaning:

"Bonus Period" means each full calendar year during the SOW Term, commencing on January 1 and ending on December 31 of each year; provided, however, that (i) if the Service Commencement date is not January 1, the initial Bonus Period shall commence on the Service Commencement Date and end on December 31 of that year and (ii) if the SOW Term does not end December 31, the final Bonus Period will commence on January 1 of that year and end on the date on which the SOW Term ends.

"Curbside Household Baseline" means the number of Curbside Households in the Service Area as initially set out in Attachment 2.1.1, as may be modified in accordance with Section 3 of this Attachment 5 or pursuant to a change order made pursuant to Section 2.2 of the Agreement.

2. In consideration for Contractor's performance of the SOW Services, Recycle BC will pay Contractor:

- (a) The selected (as indicated by an x in the associated check box) annual amount in the table below times the Curbside Household Baseline (to be payable in arrears, in equal quarterly payments on net 30 day terms, provided that Contractor has submitted all applicable claims):

Curbside Collection Financial Incentive		
	Single-stream using automated carts – Categories 1, 2, 3(a), 3(b), 6 and 7	\$ per Curbside Household per Year
<input type="checkbox"/>	>2 Curbside Households per hectare	\$33.40
<input type="checkbox"/>	0.2 to 2 Curbside Households per hectare	\$35.40
<input type="checkbox"/>	<0.2 Curbside Households per hectare	\$37.40
	Single-stream using Containers other than automated carts – Categories 1, 2, (a), 3(b), 6 and 7	\$ per Curbside Household per Year
<input type="checkbox"/>	>2 Curbside Households per hectare	\$34.50
<input type="checkbox"/>	0.2 to 2 Curbside Households per hectare	\$36.65
<input checked="" type="checkbox"/>	<0.2 Curbside Households per hectare	\$38.80
	Multi-stream – Categories 1, 2 and 3(b) separate from Categories 3(a), 6 and 7	\$ per Curbside Household per Year
<input type="checkbox"/>	>2 Curbside Households per hectare	\$38.45
<input type="checkbox"/>	0.2 to 2 Curbside Households per hectare	\$40.65
<input type="checkbox"/>	<0.2 Curbside Households per hectare	\$42.80

- (b) Each of the following that are selected (as indicated by an x in the associated check box) in the table below (which may be none): (i) the Resident Education Top Up amount; (ii) the Service Administration Top Up amount; and (iii) if Contractor also provides depot services in the Service Area pursuant to an active Statement of Work for Depot Collection Services, the Depot Top Up, in each case as set out in the table below times the Curbside Household Baseline to be invoiced and paid in arrears, in equal quarterly payments, provided that Contractor has submitted all applicable claims:

	Top Up available to local governments accepting Curbside Collection incentive	\$ per Curbside Household per Year
<input checked="" type="checkbox"/>	Resident Education Top Up	\$0.75
<input type="checkbox"/>	Depot Top Up	\$0.25
<input checked="" type="checkbox"/>	Service Administration Top Up	\$1.75

Without limiting Contractor's obligations under this Statement of Work (including without limiting the cost Contractor is required to incur to perform such obligations), the Resident Education Top Up amount must be used for the purpose of providing resident education in respect of the Collection Services.

- (c) If selected (as indicated by an x in the associated check box), the following per tonne amount, to be invoiced and paid pursuant to the claims submission process in accordance with the terms of the Agreement:

Curbside Collection Financial Incentive	
<input checked="" type="checkbox"/>	Category 8 - Glass Packaging
	\$ per Tonne
	\$80.00

- (d) For each Bonus Period, the Achieved Bonus Amount times the average Curbside Household Baseline for such period, where the "Achieved Bonus Amount" is the performance bonus amount in the table below that corresponds with the average amount of In-Scope PPP per Curbside Household actually collected by Contractor during the Bonus Period. The foregoing will be calculated annually, at the end of each Bonus Period, based on the average Curbside Household Baseline for such period and the approved claims submitted for the Bonus Period. The Achieved Bonus Amount for a Bonus Period, if any, will be paid no later than April 30 of the following year.

For purposes of calculating the Achieved Bonus Amount, Recycle BC reserves the right to develop and apply a methodology, at its own sole discretion, to calculate the average amount of (i) Not Accepted Materials in Contractor's collected material and (ii) In-Scope PPP from ICI locations in Contractor's collected materials for the purposes of calculating the average In-Scope PPP collected per Curbside Household in the applicable year.

If the Bonus Period is a partial calendar year, the Achieved Bonus Amount will be calculated by Recycle BC on a pro-rated basis taking into account such factors as Recycle BC, acting reasonably, may consider relevant.

If Contractor also provides collection services to multi-family buildings pursuant to another Statement of Work under the Agreement ("**Multi-Family Household Collection**"), and In-Scope PPP collected in respect of Multi-Family Household Collection is collected in a vehicle with In-Scope PPP collected from Curbside Households under this Statement of Work, then, for the purpose of calculating the performance bonus under this subsection (d), the Curbside Household Baseline will be adjusted to include the number of multi-family households whose In-Scope PPP has been collected in this manner.

Calculation of Achieved Bonus Amount				
Average In-Scope PPP collected per Curbside Household Per Year	160 - 179 Kilograms	180 - 199 Kilograms	200 - 219 Kilograms	> 220 Kilograms
Achieved Bonus Amount	\$ per Curbside Household			
	\$1.00	\$2.00	\$3.00	\$4.00

3. Adjustment of Curbside Household Baseline.

- (a) On an annual basis, on a date to be determined by Recycle BC, and at such other times as the parties may agree, Contractor will, in good faith, report and attest (in a form acceptable to Recycle BC) to the then-current number of:
- (i) Curbside Households in the Service Area; and
 - (ii) Curbside Households per hectare in the Service Area.
- (b) Recycle BC may also provide evidence of the then-current number of Curbside Households and Curbside Households per hectare in the Service Area. Based on Contractor's attestation and the evidence provided by Recycle BC, Recycle BC and Contractor will work in good faith to mutually agree on the new Curbside Household Baseline. If the agreed upon new values of the foregoing trigger a change in the Fees payable pursuant to this Attachment, the parties will update this Attachment by execution of a change order. Any Dispute in establishing the foregoing will be resolved by the Dispute resolution process under the Agreement.
- (c) For purposes of reporting and determining the number of Curbside Households:
- (i) A single family dwelling is considered one Curbside Household;
 - (ii) A laneway house is considered one Curbside Household;
 - (iii) A duplex is considered two Curbside Households;
 - (iv) A triplex is considered three Curbside Households;
 - (v) A fourplex is considered four Curbside Households;
 - (vi) A single family dwelling that has been converted into two, three or four residential dwelling units, shall be considered a duplex, triplex or fourplex, as described in (iii), (iv) and (v) respectively, if Contractor recognizes the conversion for utility and/or contract billing;
 - (vii) A single family dwelling that has been converted into multiple dwelling units that is recognized by Contractor as a single family dwelling for utility and/or contract billing is considered one Curbside Household; and
 - (viii) Each self-contained dwelling unit in a rowhouse or townhouse is considered one Curbside Household if the resident of each unit delivers In-Scope PPP to the Curb for collection in separate Containers.

4. If the average annual amount of In-Scope PPP collected per Curbside Household by Contractor, in any 12 month period (based on the Curbside Household Baseline) falls below 135 kilograms, then Recycle BC may require Contractor to, within 90 days, prepare and submit to Recycle BC for approval a remediation plan designed to raise its collection yield above 135 kilograms per Curbside Household. Following approval of the remediation plan by Recycle BC, Contractor will execute the plan. Contractor will provide monthly reporting to Recycle BC detailing the progress and outcomes of the remediation plan. If material improvement does not occur within 90 days of beginning to execute the plan, then Contractor will work with Recycle BC to establish additional changes and to adopt best practices recommended by Recycle BC in order to increase collection yield, and, at Recycle BC's discretion, may result in an equitable downward change in the Fees to reflect the reduced value of the amount of In-Scope PPP being collected by Contractor.

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