



## Council Report

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**Report Number:** WM2025-001  
**Meeting Date:** January 28, 2025  
**Title:** Update on Blue Box Options for Non-Eligible Sources  
**Description:** Curbside Recycling Options for Non-Eligible Sources starting January 1, 2026.  
**Author and Title:** Heather Dzurko, Manager of Waste Management

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### Recommendation(s):

**That** Report WM2025-001, **Update on Blue Box Options for Non-Eligible Sources**, be received;

**That** starting January 1, 2026, Non-Eligible Sources within the City of Kawartha Lakes will not receive curbside collection of recycling provided by the City of Kawartha Lakes; and

**That** the By-law for Collection and Management of Waste and Recyclables within the City of Kawartha Lakes (By-Law 2024-235) be amended to remove the responsibility for the collection of Non-Eligible Source material beginning January 1, 2026.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

## **Background:**

At the Committee of the Whole Meeting of November 5, 2025, the Committee extracted the report WM2024-008 from consent and adopted the following resolution:

### **CW2024-204**

**That** Report WM2024-008, **Blue Box Transition Options for Non-Eligible Sources**, be received and deferred to the Regular Council Meeting of December 10, 2024 to allow for consultation with the Waste Management Committee; and

**That** these recommendations be brought forward to Council for consideration at the next Regular Council Meeting.

Review of the report by the Waste Management Advisory Committee (WMAC) Meeting occurred at the November 13, 2024 meeting. The Committee discussed and agreed to approve the recommendations in Report WM2024-008 as written, with the exception as noted in the following adopted resolution:

### **WMAC 2024-16**

**That** Report WM2024-008, **Blue Box Transition Options for Non-Eligible Sources**, be received by the Waste Management Advisory Committee;

**That** Council be asked to consider forwarding a letter to the Province to advocate for the inclusion of Non-Eligible Sources in the extended producer responsibility.

With agreement and support from WMAC, report WM2024-008 was brought back to Council at the Council Meeting of December 10, 2024 for consideration. Council adopted the following resolution:

### **CR2024-726**

**That** Staff report back to Council by the end of Q1, 2025 with formalized options for Non-Eligible Sources for curbside collection.

This report addresses that direction.

The Blue Box Regulation (O Reg. 391/21) established that producers of recycling are responsible for the end-of-life management of these products from Eligible Sources (residential locations, schools and non-profit long-term care homes/seniors residences).

Producers of blue box packaging and paper products are defined in the regulation by a series of rules but generally speaking may include the brand holder of the product, the importer of the product, or the retailer who supplies the product.

Producers are not responsible for the management of Non-Eligible Sources such as:

- Industrial and commercial properties and Business Improvement Areas (not including residential units on the property)
- Commercial farms (not including a residential home on the farm property)
- Places of Worship (not including a residential home on the property)
- Daycares
- Campgrounds & trailer-parks for temporary stay
- Municipal buildings or facilities
- Not for profit organizations, shelters
- Post-Secondary Institutions (public or private)

As previously reported, during transition (April 2024 to December 31, 2025), the Province has allowed recyclables from Non-Eligible Sources to be blended in the collection trucks with recyclables from Eligible Sources as they have historically done. At the Council Meeting of October 24, 2023, and in closed session, Council directed staff to continue collection of Non-Eligible Sources during the transition period from April 1, 2024 to December 31, 2025. The collection of Non-Eligible Source material during transition was estimated as \$50,000/year.

As of January 1, 2026, the Producers have advised municipalities they will no longer be allowed to blend the Non-Eligible Sources with the Eligible Sources in the same truck or be processed together. Municipalities will be fully responsible for collection and processing of Non-Eligible Sources after January 1, 2026. The Non-Eligible Sources will have to be managed separately from the Eligible Sources. As a result, the costs for collection will be significantly higher for managing Non-Eligible Source material after transition. As previously reported, based on our current knowledge and recent discussions with contractors, the estimated cost for the City to collect and process the blue box material from Non-Eligible Sources after January 1, 2026 will be around \$745,000/year.

Based on recent audits completed as part of the Integrated Waste Management Strategy Update, Staff confirmed 718 locations (or about 60% of all non-eligible sources) currently rely on the City's blue box collection service. The audit confirmed that stops are dispersed and located throughout the City, with a higher concentration of stops in urban settlement areas. The type of Non-Eligible Sources included in the current curbside collection program were determined through a stop count audit completed in the fall of 2024, and are shown in Table 1.

*Table 1 – Non-Eligible Source Type*

Non-Eligible Source Type	Count	Percent Overall
Community centres	7	1%
Golf courses	12	2%
Hospitals	5	1%
Hotels	11	2%
Manufacturing Facilities	164	23%
Offices	98	14%
Other	158	22%
Places of Worship	12	2%
Recreational facilities	23	3%
Restaurants	38	5%
Sports and entertainment venues	1	0%
Stores and shopping malls	189	26%
Grand Total	718	

Note: 'Other' includes but are not limited to automotive shops, real-estate offices, marinas, hair salons, optical services, and vet clinics.

Staff reviewed data on Non-Eligible Sources stop count audit and determined that 24 stops, or 3.3% of Non-Eligible Sources receiving curbside blue box collection are City owned facilities (community centres, libraries, roads depots, City Hall, and etc.).

As previously reported, the City's depot recycling programs are also impacted by these regulatory changes. Staff will review the options to manage depot blue box material in a separate report to council. The City currently charges a tipping fee for all blue box material from the Non-Eligible Industrial/Commercial and Institutional Sources that are brought directly to one of our operating landfills outside of the regular curbside collection program.

As per Council direction, Staff have explored different options to best manage Non-Eligible Sources after transition (as of January 1, 2026). This report provides a summary of those options, their pros and cons and the recommended courses of action.

**Rationale:**

As previously reported, three options were explored as it relates to managing Non-Eligible Source recycling material including "Option 1" described below and two alternatives that are outlined in the "Other Alternatives Considered" section of this report. Staff have expanded the alternatives section to include one (1) additional alternatives. Option 1 remains the staff recommended option.

**Option 1:** Cease providing curbside collection of blue box material to Non-Eligible Sources.

Given that, the City has no statutory requirement to provide recycling collection to Non-Eligible Sources; staff have concluded the most economical way to proceed is Option 1, to cease the curbside collection of Blue box recyclables from Non-Eligible Sources as of December 31, 2025.

After December 31, 2025, Staff will continue accepting Non-Eligible Sources for a recycling fee at all City landfills as they have done in the past, and/or Non-Eligible Sources would need to arrange for private collection of blue box materials.

This option would avoid an incremental cost of approximately \$745,000/year (based on preliminary budget estimates) in Non-Eligible Source material collection and processing costs.

A roughly estimated cost to manage Non-Eligible Source materials through the depot for a recycling fee is \$50,000/year. The depot estimates will be verified when a report is brought to Council regarding the management of both Eligible Source and Non-Eligible Source blue box material at the depots.

As previously reported, the decisions being made by other municipalities vary. In general, larger urban centres are tending toward continuing curbside collection and more rural communities are ceasing to provide this service, with exceptions in both cases. There is considerable difference in the cost per stop between urban municipalities (lower cost/stop) and rural municipalities (higher cost/stop) as a result of the difference in kilometres travelled between serviced units. This is exacerbated when the City is losing the economy of scale by no longer servicing residential locations at the same time.

Option 1 would need to be supported by a strong promotion and education campaign to inform the Non-Eligible Sources of service changes. It is also important that the decision be made, to allow sufficient time for Non-Eligible Sources to determine how to manage their blue box material (at the depot or through a private service provider). The City will continue to provide the existing level of curbside garbage collection services to Non-Eligible Sources.

The Waste Management By-law will continue to restrict recyclables from being mixed with the regular garbage. Considering that the proportion of Non-Eligible sources to Eligible sources is less than 2% the overall impact to landfill space is minimal and less than 200 tonnes per year.

## **Other Alternatives Considered:**

### **Alternative 1 – Provide curbside collection of blue box material to Non-Eligible Sources that have received historical service from the City**

As previously noted, under this option Staff would receive competitive bids or discuss additional scope with the current waste collection contractor to provide blue box service to Non-Eligible Sources that currently participate in the City's curbside collection program. The scope of services would be for curbside collection, hauling, and processing of blue box material from Non-Eligible Sources, separate from Eligible Source material.

This service will likely result in a higher cost estimated at \$715,000 for collection and \$30,000 for processing. This would include management of City facilities that are considered Non-Eligible Sources.

If Council opts to continue service, this scope of work would be included as a provisional item in the next collection contract procurement process (to commence in 2028) for further consideration at that time.

### **Alternative 2- Provide separate collection/processing to a subset of Non-Eligible Sources**

Under this option, staff would receive competitive bids or discuss an additional scope of work with the current waste collection contractor to provide curbside collection of blue box material to a subset of Non-Eligible Sources. Examples provided for the subset specifies collection of City facilities, and downtown cores or BIA businesses under a specific size could be included. The option would be less costly than servicing all Non-Eligible Sources, however there would be considerable disparity and fairness issues between what subset of locations would be eligible for the service.

### **Alternative 3 (New) – Notify Non-Eligible Sources that the City plans to cease providing curbside collection, and processing to Non-Eligible Sources in January 1, 2026. Continue to explore alternatives to support provision of the services such as a joint procurement with adjacent municipalities and municipal support for a private procurement process.**

Staff would notify Non-Eligible Sources participating in the curbside collection program of the plans to cease services starting January 1, 2026. Staff would explore the option to coordinate with neighbouring municipalities to leverage economies of scale on collection and processing of Non-Eligible Source material. It is unknown if this would

result in a savings in cost to administer the program. There would likely be an additional administrative burden associated with coordinating with other municipalities.

Council could also consider offering service in the form of procurement expertise to support a private procurement process (a community group would need to step forward as lead) to support the needs of the community.

### **Alignment to Strategic Priorities**

This recommendation aligns with the Strategic Priority of Healthy Environment, which promotes waste diversion and resource recovery through introduction of new Blue Box Regulations and Producer responsibility. The report puts the onus on the Producers of their products being responsible for recycling where possible.

### **Financial/Operation Impacts:**

As previously reported, the recommendation to not service the Non-Eligible sources will have minimal financial costs to the City. There may be an estimated increase of up to 200 tonnes of recyclables entering the waste stream at an expected cost to the municipality of \$30,000 in landfill space savings. However, the City will recover some of these costs through tipping fees.

If the municipality were to service the approximate 718 Non Eligible Source stops, the costs would be considerable and in the \$745,000 range annually. This is a preliminary estimate and is based on general discussions with other municipalities and contractors. An option involving a subset of the Non Eligible Sources would be lower as less stops and volume would be collected but still at a significant incremental cost to the City.

### **Consultations:**

Director of Public Works  
Treasurer

### **Attachments:**

Appendix A – Council Report Number WM2024-008 Blue Box Transition Options for Non-Eligible Sources



WM2024-008 Blue  
Box Transition Optic

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