March 31, 2006

Mayor and Members of Council
Hamilton, City Of
Waste Management
71 Main Street East
Hamilton, ON L8P 4Y5

RE: Final Installment of 2005 Stewardship Ontario Funding for your
Blue Box Recycling Program

Dear Mayor and Members of Council:

Stewardship Ontario and Waste Diversion Ontario (WDO) are pleased to enclose the fourth and final quarterly payment for 2005 to help pay for your residential Blue Box recycling program.

The payment is provided under the auspices of the Blue Box Program Plan (BBPP) which provides funding directly from the companies, called “stewards,” who do business in Ontario and produce packaging and printed materials that are managed through the municipal waste management system. Under the Waste Diversion Act, 2002, these companies report the amount of packaging and printed paper they put into the Ontario marketplace and pay fees to Stewardship Ontario.

Stewardship Ontario is the industry funding organization that distributes the funds to municipalities.

The first payment in the 2005 program year was sent to you in July; the second in September and the third in December. With this fourth quarterly payment for 2005, industry has contributed, over the three years since the program began, a total of $81 million to Ontario municipalities that operate recycling programs.

Quarterly payments for the next program year will be made in June, September and December 2006, and in March 2007.

In addition to the direct cash payments, a further $5.7 million has been made available this year (for a total of $9 million to date) through the Effectiveness and Efficiency (E&E) Fund. Each year, 10% of the stewards’ obligation to municipalities is placed in the E&E Fund to provide competitive grants to municipalities to increase the effectiveness and minimize the cost of municipal recycling programs. So far, a total of 46 municipal projects valued at $6.8 million in support have been awarded.

The provincial total net system cost is approved by the WDO which calculates the amount each municipality receives based on information your municipality provides through the annual waste management datacall. Funding to date is based on:

- quantity of each type of material marketed by each municipality
- population density of each municipality, and
- size of operation of each program.

In addition to the above factors, funding for 2006 also will be based on the cost-effectiveness of a program relative to other municipal programs in its municipal group.
The funding allocated to each municipality is published on the WDO website, www.wdo.ca. Questions concerning the Blue Box Program and the calculation of funding can be directed to Glenda Gies at wdo@wdo.ca.

For information about the E&E Fund and how to apply, please visit the Stewardship Ontario website, www.stewardshipontario.ca. Questions concerning the Fund can be directed to Guy Perry at info@stewardshipontario.ca.

Sincerely,

Dennis Darby
Chair
Stewardship Ontario

Gemma Zecchini
Chair
Waste Diversion Ontario
Stewardship Ontario
26 Wellington Street East, Suite #601
Toronto, Ontario M5E 1S2
(416) 594-3466  Fax (416) 594-3463

Canadian Imperial Bank of Commerce
1 Queen Street East
Toronto, Ontario M5C 2W5

Cheque 2838

Pay to the order of City of Hamilton
Accounts Receivable
Standard Life Bldg
120 King Street West, Suite 900
Hamilton, ON L8P 4V2
Canada

Date 03/31/2006
Amount $527,999.17

Stewardship Ontario

CITY OF HAMILTON

MARCH 31, 2006
03/31/2006
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This document contains security features - see reverse.
Blue box: At 25 years old, how is it doing?
Mar. 16, 2006. 01:00 AM
DENNIS DARBY

Ontario's ubiquitous blue box is — can you believe it — 25 years old. An entire generation has grown up with the blue box as a part of the family. For millions of people in Ontario, recycling has become as routine as brushing teeth and shovelling the driveway.

The blue box is about diverting from landfill the natural resources we use to make consumer products and packaging so they can be recycled into a plethora of new products.

Recycling decreases demand for new raw materials, slows down demand for landfill space, saves energy and reduces greenhouse gases.

In its 25th year, we can celebrate the blue box program as a made-in-Ontario solution to reducing waste.

Perhaps more significantly, we can embrace its untapped potential to make a greater contribution to our environment.

The blue box was invented in 1981 by a coalition of strange bedfellows comprising environmental, beverage and waste industry innovators.

Intrigued by a handful of small, but successful voluntary recycling programs that picked up articles for reuse at individual houses, they persuaded the city of Kitchener to try a pilot project to collect a basic set of recyclables from householders at curbsides. They needed a container to hold the materials — and the blue box was born.

Over the next 10 years, the blue box swept the province, with Ontarians embracing the idea of doing their part for the environment.

Delegations from around the globe converged on Ontario to see how the system worked and learn how they could launch similar programs.

In 1989, Ontario’s blue box system won the first-ever United Nations Environment Award for its unique contribution to fighting pollution.

Today, almost all of Ontario’s 4.6 million households have access to recycling systems whether they are curbside collection, apartment bins or municipal drop-off depots.

Each year in Ontario, we recycle more. Between 1996 and 2003, the amount of recyclables recovered increased by 47 per cent, outstripping population growth by 27 per cent.

In 2004, we recycled nearly 824,000 tonnes of material, representing about 55 per cent of the 1.5 million tonnes of printed paper and packaging estimated to be generated within Ontario households.

Ontario’s environment ministry has a target of 60 per cent diversion by 2008, a target we hope to reach and exceed.

Over/
Part of the reason for the success of the blue box program in Ontario is a cost-sharing arrangement between industry and municipalities.

Companies producing packaging and printed paper that are managed in the municipal waste system pay annual fees to an organization called Stewardship Ontario.

The fees are based on the amount and type of material introduced into the marketplace. Stewardship Ontario then distributes the money (some $81 million so far) directly to provincial municipalities and organizations that operate blue box programs.

Today, municipalities and industry work as partners, looking for ways to make the entire collection and processing system more cost-effective.

A program Stewardship Ontario oversees called the Effectiveness and Efficiency (E&E) Fund allows municipalities to conduct projects to help reduce the cost of recycling programs, to increase recycling rates and to find "best practices" in residential recycling.

The results of key projects are available broadly through another innovation called the Stewardship Ontario Knowledge Network, an online, interactive website that allows municipal waste managers to find information and ideas on how to operate better programs for their communities.

Since the E&E fund was launched in July 2004, about $6.9 million has been committed to 46 municipal projects.

It's safe to say that at age 25, Ontario's blue box program is here to stay. And, while it has accomplished a great deal, it's also fair to say there is more work to do.

We must increase overall recycling rates — particularly in apartment complexes, in offices and in public spaces.

We must broaden markets for blue box materials to stabilize revenue sources for municipalities to help cover program costs.

We must continue to identify ways to improve cost efficiencies in recycling programs across the province.

But the bigger picture is that the blue box is the catalyst for broader programs that address diversion for other types of consumer products and packaging waste. While we can be justifiably proud of our blue box program in Ontario, the fact is it is just the beginning.

Dennis Darby is chair of Stewardship Ontario.
Event Notice

Ontario Recycler Workshop & Webcast
Spring 2006, Ottawa Ontario

Waste Diversion Ontario (WDO), Stewardship Ontario and the Association of Municipalities of Ontario (AMO) are hosting the second “Ontario Recycler Workshop” in Ottawa in June 2006. Municipal councillors with responsibility for and interest in waste management and recycling, municipal waste management staff and private sector service providers are invited to attend this session.

Learn more about how to optimize WDO funding for residential recycling programs. Find out how colleagues are increasing the performance of recycling programs by implementing projects supported by Stewardship Ontario's Effectiveness and Efficiency (E&E) Fund.

Program Details

Stewardship Ontario’s E&E Fund
An update on the Ontario Recycler Knowledge Network and on E&E Fund projects in the areas of:
♦ innovations in recycling collection;
♦ measuring and improving recycling program effectiveness;
♦ recycling system cost containment.
Available to in-person and webcast participants.

Workshops
Brief presentations and interactive workshops that will:
♦ solicit municipal/participant input on the issue of recycling best practices;
♦ update municipalities/participants on WDO’s plans and work underway in this area;
♦ discuss possible guiding principles, screening criteria and performance measures related to recycling best practices.
This session is available to in-person participants.

Thursday, June 1, 2006
8:30 a.m. to 5:00 p.m.

Attend In Person
Crown Plaza Hotel, Ottawa

OR
via online webcast
webcast information will be emailed to registrants

Register online starting in mid April:
www.stewardshipontario.ca

Free of charge

Pre-Workshop Reception
Join us at the Crowne Plaza Hotel for an evening reception on Wednesday, May 31st to get together with colleagues, with E&E Fund Peer Reviewers and others.

“Relevant information, great format, time well-spent”

Rick Clow
Past Chairman, Association of Municipal Recycling Coordinators (AMRC)
General Manager, Quinte Waste Solutions

For more information contact:
Margot Beverley, Communications
Telephone: 888-277-2762, Ext. 2260 or mbeverley@stewardshipontario.ca

Information about these organizations is on the back of this flyer.
Hosts of the Ontario Recycler Workshop  
June 1, 2006

Waste Diversion Ontario

Waste Diversion Ontario is the non-crown corporation created under the Waste Diversion Act (2002) to develop, implement and operate waste diversion programs for materials that have been designated under the Act by the Minister of the Environment.

Stewardship Ontario

Stewardship Ontario is the funding organization for Blue Box Waste that was designated by the Minister of the Environment under the Waste Diversion Act (2002). In Ontario, Brand Owners, “First Importers” and “Franchisors” of printed papers and packaging that result in residential Blue Box Waste are obligated as stewards under the Act. Stewards of Blue Box materials pay a fee on the amount of packaging and printed papers their businesses contribute to the municipal waste management system. Stewards’ fees fund 50% of the net cost of the Ontario municipal Blue Box recycling system. This system cost is determined each year by the WDO.

Ten percent of this funding is directed to the Effectiveness and Efficiency (E&E) Fund which offers financial support to Ontario municipalities to implement activities to reduce system costs and increase tonnes recovered in residential Blue Box recycling programs. Through the first two years of the Blue Box program, the total value of the fund is approximately $9 million. As of the Spring 2006, 46 projects have been approved for funding for a total project value of $6.9 million.

AMO

The Association of Municipalities of Ontario (AMO) is a non-profit organization representing municipal governments. It provides support through a variety of services and products to members and non-members.

For more information about the Ontario Recycler Workshop:
www.wdo.ca & www.stewardshipontario.ca