December 15, 2005

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

RE: Third 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 third payment for 2005 from obligated industry 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 requires obligated 'stewards' of Blue Box Wastes to share the cost of implementing and operating the Ontario municipal Blue Box recycling system. The total net system cost has been approved by the WDO. Obligated “stewards” are companies which do business in Ontario and which produce packaging and printed materials that are managed through the municipal waste management system. These companies are required under the Waste Diversion Act, 2002 to report the amount of packaging and printed paper they put into the Ontario marketplace and accordingly to pay fees to Stewardship Ontario.

Stewardship Ontario is the industry funding organization that collects the fees from obligated companies and distributes the funds to municipalities.

The first payment in the 2005 program year was sent to you in July and the second in September, 2005. The final payment for the 2005 program year will be sent to you at the end of March, 2006. At that time, over the three years of the shared program, industry will have contributed a total of $81 million to municipalities that operate recycling programs for Blue Box materials.

In addition to the direct cash payments, a further $5.7 million is available this year (for a total of $9 million over the first two years) through the Effectiveness and Efficiency (E&E) Fund. Each year, 10% of the stewards’ fees are 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 34 projects valued at $5.1 million in support have been awarded.

The calculation of the funding allocated to each municipality is undertaken by WDO, based on information your municipality provided through the annual waste management datacall. Funding 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.
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 Gina Vergilio at gina.vergilio@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

cc. (Pat Parker, Hamilton, City Of)
Stewardship
ONTARIO
26 WELLINGTON STREET EAST, SUITE #601
TORONTO, ONTARIO M5E 1S2
(416) 594-3456  FAX (416) 594-3463

CITY OF HAMILTON
Accounts Receivable
Standard Life Bldg
120 King Street West, Suite 900
HAMILTON, ON L8P 4V2
CANADA

Five Hundred Twenty-Seven Thousand Nine Hundred Ninety-Nine and 17/100********

DATE
12/30/2005

AMOUNT
***527,999.17

STEWARDSHIP ONTARIO
HAMILTON
DECEMBER 31, 2005

CITY OF HAMILTON
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CHEQUE
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