December 31, 2006

Mayor and Members of Council
HAMILTON, CITY OF
71 Main Street East
Hamilton, ON L8P 4Y5

RE: Third Quarterly Installment Payment of 2006 Stewardship Ontario Funding to help pay for your municipal Blue Box Recycling Program

Dear Mayor and Members of Council:

Stewardship Ontario and Waste Diversion Ontario (WDO) are pleased to enclose the third quarterly payment for 2006 from 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 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 residential marketplace and pay fees to Stewardship Ontario.

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

This payment will be followed by one more payment for 2006; it will be sent to you at the end of March, 2007. In total, Stewardship Ontario will distribute $48.6 million to Ontario municipalities that operate residential recycling programs for the 2006 program year. This brings the total amount of industry’s share of Blue Box programs in Ontario over the past four years to nearly $130 million.

In addition to the direct cash payments, a further $5.4 million has been made available this year (for a total of $14.4 million to date) through the Effectiveness and Efficiency (E&E) Fund. Each year, 10% of the stewards’ financial 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 66 municipal projects valued at $12.4 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 for the 2006 year is based on:

- quantity of each type of packaging and printed material recovered and sold to commodity markets 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 was 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
December 31, 2006

Stewardship

City of Hamilton

120 King Street West, Suite 600

Standard Life Building

Accounts Receivable

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350.006.58

2006-12-31

Cynthia Tomlinson, City of Hamilton

PAY

Three Hundred Thirty Thousand Six and 58/100 Cents

120 King Street West, Suite 600

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Cynthia Tomlinson, City of Hamilton