

General		
1.	Will there be a recorded version of the presentation on the website?	Yes, the recording of the webinar is available here .
2.	Will these slides be made available to stewards?	This presentation is available to all stewards on the MMSW website here .
3.	Will this presentation be distributed to all stewards?	We do not distribute the slides to all stewards but make the presentation available on the MMSW website here .
4.	The webinar is being held over the typical lunch hour in Saskatchewan despite being an Saskatchewan program. Additionally, the communications did not list a time zone for SK. Communication has been an issue for MMSW and that is the case here as well.	MMSW has members across the country and does its best to hold webinars and information sessions at a convenient time for everyone while accommodating four or more time zones. We appreciate your feedback and will bear your comments in mind when scheduling the next webinar. Please note that the time zones were provided on the event registration page.
5.	Has the Minister's Working Group come back with any recommendations? Do they need to also approve the revised Plan or at least advise the Minister on his approval of the Plan in September?	We have invited all stakeholders to provide input on the revised plan and the Minister's Working Group may certainly participate in the consultation. However, it is the Minister who will approve the Plan.
6.	Has the Ministry picked up any of the start-up costs for MMSW given that their delays have cost money? Or have they provided any funding for the revised Plan?	The Ministry provided \$500,000 to municipalities to assist them through this transition period.
Reporting & Fees		
7.	The 2015 Invoice based on 2013 data reported in 2014 resulted in a Cost Recovery Invoice which equalled approximately 1/3 of our obligations. Is the 2/3 balance owed to MMSW?	No, there will be no further invoices issued to MMSW stewards in 2015 given that the program has not yet launched.
8.	What was the Cost Recovery Invoice for?	The Cost Recovery Invoice was to cover both the program start-up costs incurred up to 2014 and program management costs for 2015. The start-up costs included: program plan development, meetings with provincial and municipal governments, steward recruitment activities, execution of contracts with municipalities, execution of membership agreements with stewards, support for steward reporting, the

		<p>establishment of a fee schedule, establishing an office in Saskatoon, and holding webinars to keep stewards and stakeholders informed. It was decided to recoup the full start-up costs, initially funded through a bank loan, in one go at the time due to the uncertainty caused by the Minister's December 2014 announcement that introduced new exemptions, flat fees and a requirement that the Minister approve fees. We needed to invoice for some operating costs for 2015 to ensure we could maintain the office and staff to advance discussions with provincial and municipal Governments, support for 2015 steward reporting, and the costs associated with revising and consulting on the revised program plan.</p>
<p>9.</p>	<p>Can we get a detailed accounting of the start-up costs and 2015 operating funds used in determining the January 30 2015 Cost Recovery Invoice? All that has been distributed to Stewards is a bullet point overview</p>	<p>As discussed above, the cost recovery invoice was issued to MMSW stewards last January to cover program start-up costs and to provide some operating funds for 2015. Audited financial statements will be published following the first year of the program's operation. In other words, If the program launches on January 1, 2016, audited financial statements will be posted in the spring of 2017 and will cover the periods when costs were incurred, up to and including 2016.</p> <p>Here is some additional information about the particular activities that the start-up costs and operating funds covered:</p> <p>Start-up</p> <ul style="list-style-type: none"> • Program plan development • Liaison with provincial and municipal governments • Design, consultation and execution of membership agreements for stewards • Design, implementation and execution of funding agreements with 157 municipalities and First Nation collectors • Staging and managing webinars, providing guidance and support for steward reporting through guidance tools and call centre support • Development and deployment of a fee schedule

		<ul style="list-style-type: none"> • Development of IT systems to bring a new program on-board (both for steward and collector reporting) • Opening of a Saskatchewan office, leasing costs, office set up, recruitment of staff and payment of salaries. <p>Current operating expenses:</p> <ul style="list-style-type: none"> • Office rental • IT leases • Staff costs • Travel/consultations with stakeholders and government • Legal costs too re-issue and execute funding agreements with municipalities • Costs associated with revising and consulting on the program plan.
<p>10.</p>	<p>What happens with the reports that we submitted in 2014 and 2015 on the CSSA website?</p>	<p>The 2014 reports (based on 2013 data) that were submitted by MMSW stewards to the WeRecycle Portal were used to calculate the 2015 Fee Schedule for the program. While the program didn't launch as planned on January 1, 2015, the data was used to generate stewards' Cost Recovery Invoices.</p> <p>As discussed during the webinar, the 2015 Fee Schedule will remain in place for two years and is included in the revised program plan for the Minister's approval. The reports submitted by MMSW stewards in 2015 will be used to generate stewards' 2016 invoices using the fee rates published in the program plan (assuming the government approves the revised MMSW Program Plan and the program launches in January 2015).</p>
<p>11.</p>	<p>Are we going to be invoiced for the 2014 PPP report?</p>	<p>No, no further invoices will be issued to stewards in 2015.</p>

12.	If the plan is approved and the steward receives an invoice on January 1, 2016, what data period will be used to calculate the amount owing?	Assuming the government approves the revised program plan this fall and the MMSW program launches on January 1, 2016, invoices issued on January 1 will be based on the reports submitted by stewards in May 2015 based on sales data from 2014. Invoices issued on January 1 will be due January 30.
13.	Phase 1 Fee Schedule for years one and two – are those the years 2016 and 2017? Or 2015 and 2016?	The fee schedule issued for 2015 will continue for 2016 and 2017.
14.	I am trying to understand how this is going to be an efficient or effective program when it costs us over a thousand dollars to track, calculate and report our tonnage and our invoice is \$300.00. Please explain how this is efficient and effective.	The efficient and effective program referenced in the ‘Post Transition Phase 2’ of the program, refers to efficiency standards that will be achieved by municipalities in how they run their programs and will be defined by the Advisory Committee. However, we are also happy to discuss how stewards are able to achieve efficiencies in the preparation and submitting of their steward reports. We encourage you to contact Steward Services at 1-888-980-9549 for assistance in identifying opportunities for efficiencies in your reporting.
15.	Why do fees remain the same given that start-up costs have been paid in full (\$1.2m for two years)?	<p>As outlined in the October 15, 2014 pre read for the annual fall steward information session, it was originally planned that the start-up costs would be spread over two years. With the MOE announcement in December 2014, we needed to ensure bank loans were paid off in what was a period of uncertainty for the program, so MMSW included the full start-up costs of \$1.2m in the cost recovery invoice issued in January 2015. This invoice also included the funds needed to ensure the continuation of the organization while discussions with government were on-going, and to enable us to ramp up for launch once discussions with the government had concluded.</p> <p>The reason fees have not been reduced as all of the start-up costs have been recouped is because MMSW didn’t bill stewards in 2015 for working capital accumulation, originally budgeted for \$700k.</p>
16.	If \$140/tonne is the rate of payment, why the material-specific fee schedule? Stewards report total kg multiplied by \$140 per tonne plus some admin and we’re done. It would reduce admin costs significantly.	Although we are paying the municipalities on a blended cost per tonne basis to collect, process and market the WPP supplied by the steward members, it is standard practice to allocate these supply chain costs based on the contribution that each material makes to this overall blended cost rate. Some materials are more expensive to manage than

		<p>others either because they require more sorting or they contribute less commodity revenue to the system for example. Once these differences are accounted for, and program management costs added, material specific costs are known. The total material specific costs are then divided by the quantities reported by stewards so that the costs can be represented as a \$/kg fee rate.</p>
17.	<p>Why does MMSW need capital accumulation if the MMSW program is a transfer payment program?</p>	<p>MMSW is not a transfer payment program like SO or MMSM where the municipal partners accumulate cost in Year 1 and then report to the stewardship organization in Year 2 and receive funding in Year 3. MMSW municipalities will be paid as services are delivered. It is therefore, much like the MMBC program in that respect.</p> <p>It is prudent for all stewardship programs to build up reserves to fulfill their obligations to both stewards and municipal partners, and for other general business operations. It is good practice to have reserves, as is the case with PPP programs in ON, MB, and BC, and is typical practice for other product stewardship programs. Our ultimate objective is to accumulate the equivalent of up to three to six months' supply chain costs.</p>
18.	<p>When does the MMSW budget for 2016 get released?</p>	<p>We will share the 2016 budget with stewards at the annual steward meeting in late October.</p>
<p>Municipal Payments</p>		
19.	<p>Can you please clarify the anticipated time period for the transition period and post-transition Phases 1 and 2 before the program is going to be completely implemented? I.e., at what point can municipalities expect full collector payments?</p>	<p>It is very difficult for MMSW to anticipate the transition time to move from launching the program to Post-Transition Phase 2. Timing is highly dependent on the actions taken by the government including the timing of the approval of MMSW's revised Program Plan, and the timing of lifting the exemption of newspaper publishers and businesses with revenues between \$2 million and \$5 million from the program.</p> <p>Each phase is triggered by a specific event. The plan's launch triggers the transition period. Funding to municipalities during this transition period will be in accordance with a new methodology designed to</p>

		<p>reflect that MMSW will only provide funding for the portion of WPP collected by municipalities that was supplied by MMSW members. Post-Transition Phase 1 begins when newspapers and other businesses with revenues between \$2 million and \$5 million report and pay fees. MMSW will fund municipalities during the Post Transition Phase 1 using the “Transition Period” methodology, subject to reconsideration of the basis for payment in order that we may use lessons learned from the Transition Period.</p> <p>Post-Transition Phase 2 begins when the E&E definition is applied and municipalities are financed in accordance with the new definition.</p>
<p>20.</p>	<p>How did you arrive at 60% capture rate?</p>	<p>The 60% capture rate was determined by looking at the capture rate of a typical new recycling program primarily referencing the Manitoba experience. A new recycling program typically achieves a 50%-55% capture rate i.e., the amount of supplied material that consumers put into their recycling and which is collected. The MMRP program will be new in many but not all SK communities and so MMSW set 60% as a reasonable benchmark for the capture rate. The capture rate will be reviewed as the program matures and will be adjusted accordingly.</p>
<p>21.</p>	<p>If the 60% capture rate is based on experience from Manitoba, how is MMSW accounting for exempted businesses and newspapers?</p>	<p>MMSW is only funding the management of its members’ tonnes, not the tonnes of exempted companies. The methodology for determining per household payment to municipalities is the mechanism that ensures MMSW is only paying for its members’ tonnes.</p>
<p>22.</p>	<p>To confirm, MMSW is funding the management of 60% of MMSW members’ tonnes? Or, 100% of members’ tonnes?</p>	<p>MMSW is funding 75% of the cost (as required in the regulation) to manage 60% of its members’ materials given that 60% is a fair benchmark for the proportion of MMSW member material that is likely to be captured for recycling. MMSW is not funding material supplied by exempt or non-compliant businesses.</p>
<p>23.</p>	<p>Does a 60% capture rate out of total waste packaging and paper supplied by MMSW members assume that the remaining 40% is either landfilled or generated by the IC&I sector? Will this capture rate be revisited at one point?</p>	<p>The 60% capture rate reflects the proportion of materials supplied by MMSW members that is estimated to be collected for recycling. The remaining 40% will either not be disposed of by residents in a Blue Box or not disposed of at all and therefore assumed not to be managed in the recycling system funded by stewards.</p>

<p>24.</p>	<p>So, you benchmarked the capture rate in another province, and then raised it. Why?</p>	<p>MMSW examined the Manitoba experience because there are many similarities between the Manitoba and Saskatchewan programs in terms of geography, population densities and distance to markets. MMSM provided a good reference for MMSW plus additional data which suggests that the typical capture rate for a new program is 50%-55%. However, new curbside recycling programs have been rolled out in Saskatchewan over the past 18 months, most significantly in Saskatoon which we believe will result in a slightly higher capture rate when the MMRP program is rolled out across Saskatchewan. For this reason we set the capture rate at 60%.</p>
<p>25.</p>	<p>What are the provisions to avoid a situation where municipalities are asking for additional funding to cover materials that are not part of the Plan but show up in the blue box similar to Ontario and Quebec?</p>	<p>MMSW has based the municipal household payments on tonnes supplied by MMSW members. If municipalities collect additional tonnes these will not be funded by MMSW.</p>
<p>26.</p>	<p>Do you feel confident that municipalities will be willing to provide all of the required data to confirm they comply with the policies in Appendix B? Any feedback from municipalities?</p>	<p>We are confident the municipalities will sign a funding agreement contract providing the information requested in Appendix B. Municipalities are given the option of assigning a reporting delegate, such as their waste management partners, should they require support in completing their reports.</p>
<p>27.</p>	<p>Recent press coverage talked about the huge amount of contamination coming from multi-residential building in recycling stream in Saskatoon. Is MMSW working with Saskatoon to address this issue, especially to keep costs down?</p>	<p>Municipalities that sign contracts with MMSW will agree to service level standards and these standards will include contamination level targets. Any costs associated with high contamination levels, will not be borne by MMSW – those costs will be borne by the municipalities.</p>
<p>28.</p>	<p>Why are the per capita costs so different between BC at \$30.00/capita and Saskatchewan at \$10.00/capita? What accounts for that gap?</p>	<p>In the pre-read for the Annual Steward Meeting held on October 15, 2014, the net cost per capita was published as \$27 and \$10 for BC and Saskatchewan respectively.</p> <p>There are many factors that contribute to the difference including the steward obligation, which is 100% in British Columbia and 75% in Saskatchewan, the number of residents receiving curbside collection versus depot accessibility services etc.</p>

Obligated Steward	
29.	<p>Is MMSW or anyone else providing the government of Saskatchewan with a list of stewards that are and are not in compliance with the program? If not, why not?</p>
30.	<p>What is the Ministry of Environment’s plan to get members who are not in compliance to become compliant?</p>
31.	<p>Please describe who the obligated steward in Saskatchewan is and has this changed?</p>

MMSW does not have compliance authority in Saskatchewan - that responsibility lies with the Ministry of Environment and the Ministry does have a list of all the MMSW members.
MMSW is always looking to our stewards to let us know of any companies they know are obligated under the regulation but have not yet registered with MMSW and we are willing to pass those names on to the government.

As a requirement of their approval, MMSW provides information to the Ministry of Environment on companies participating as required by the regulations, which the ministry has authority to enforce. Education and communication are important first tools in achieving compliance and the ministry wants to ensure businesses are educated on their program obligations and requirements of participation. The ministry has various means to enforce participation, and will assess each circumstance individually as situations arise.

The obligated stewards are the companies that supply packaging and paper, as defined in the Regulation, into the residential marketplace.

The definition of the obligated steward was revised in December last year when the Minister announced exemptions from the program as follows:

- Permanent exemption for businesses that generate less than \$2 million in gross annual revenue, or generate less than one tonne of household packaging and paper in SK annually, or operate a single retail store.
- Reporting exemption for all newspaper publishers (regardless of size) and all businesses with annual revenue between \$2 million and \$5 million during the two year transition period. These businesses must, however, register with MMSW and pay a \$500.00 flat fee.

		According to the Minister’s announcement, following the two year transition phase, businesses with annual revenue above \$2M and all newspaper publishers will be obligated under the Regulation.
32.	Who are the permanently exempted businesses and industries and why are they exempted?	For a description of the exempted businesses please see answer above. The decision to exempt these businesses from the Regulation was made by the Minister of Environment.
33.	For the \$2M-\$5M business exemption, is this based on sales into Saskatchewan? Or on national or global sales?	The dollar based thresholds for exemption of flat fee payments are based on gross sales in Saskatchewan.
34.	Do the exemptions apply to retailers with national revenue of less than \$2 million or revenue generated in Saskatchewan of less than \$2 Million?	Please see answer above – revenue thresholds refer to gross sales in Saskatchewan.
35.	The plan says, “A voluntary steward is not subject to the permanent or transition exemptions established by the Minister.” If a voluntary steward sells less than \$2M in Saskatchewan, do they still register and pay the flat fee that those stewards selling between \$2M - \$5M pay? Are they still permanently exempt? What do they need to do to ensure compliance?	A voluntary steward is one that chooses to join MMSW and sign a Membership Agreement even though they do not have residency in SK and therefore are not obligated by the Regulation. The Minister’s exemptions do not apply to voluntary stewards. If a business decides to register as a voluntary steward they must report and pay on their materials irrespective of their gross sales in Saskatchewan. More information on voluntary stewards can be found on the MMSW website here . If you need further information, feel free to contact the Steward Services team at 1-888-980-9549.
36.	If there is a two-year transition exemption from reporting and paying fees, with the exception of payment of an annual \$500.00 flat fee, for all newspapers regardless of size and businesses with annual revenue between \$2 million and \$5 million, are my newspaper flyers exempt from fees for two years?	No, newsprint, the material, is not exempt from the program for two year. Newspaper <u>publishers</u> are exempt from the program for two years. You must report and pay fees on your newsprint materials.