



SK Recycles Transition

Phase 3 Depot Eligibility Criteria and Depot Collection Standards, Policies, and Procedures

BACKGROUND

SK Recycles' approved Program Plan includes a commitment to develop two program elements pertaining to Phase 3 of the SK Recycles transition to full Extended Producer Responsibility (EPR), which are the focus of this document:

- i. Phase 3 Depot Eligibility Criteria
- ii. Phase 3 Depot Collection Procedures.

The intent of the Phase 3 Depot Eligibility Criteria is to outline the criteria that defines a municipality¹ or Regional Waste Authority (RWA) that is eligible to act as a depot collection service provider to SK Recycles in Phase 3 of the transition and how to determine the eligibility of their corresponding depot locations.

The intent of the Phase 3 Depot Collection Procedures is to outline the primary standards, policies and procedures required of eligible depot collection service providers participating in Phase 3 of the SK Recycles transition to full EPR. Once approved by the Ministry of Environment, the intent is that these procedures will form the basis for the depot collection agreements that will be offered to eligible depot collection service providers. These agreements will be in place for Phase 3 of the transition, which is scheduled to launch February 1, 2027.

Phase 1 and Phase 2 of the transition to full EPR focuses on offering curbside and multi-family collection opportunities to municipalities and RWAs in eligible communities. As such, eligibility criteria for Phase 3 will differentiate between those communities whose primary opportunity for recycling in-scope packaging and paper is through depot collection, and those communities whose primary opportunity is through curbside or multi-family collection, with depots providing a supplementary opportunity for recycling in-scope packaging and paper.

¹ Municipality is defined as incorporated cities, towns, villages, resort villages and rural municipalities.

SK Recycles' aim is to develop and implement an approach to program delivery that fosters operational efficiencies and reduces service duplication while ensuring high quality of collected material and pathways and incentives for operational enhancements at depot sites across the province.

PHASE 3 DEPOT ELIGIBILITY CRITERIA

Population Threshold:

SK Recycles will partner with municipalities and RWAs directly for the provision of depot collection services. These services are intended to provide a central location through which the surrounding population can access recycling services of packaging and paper through the SK Recycles program. To ensure these services have an impact on the recovery of residential packaging and paper in the province, a municipality or RWA must have a **minimum population of 100 permanently occupied households** to be eligible to join in Phase 3.

For clarity, all RWA member municipalities where an RWA provides depot collection service, either directly or via a contracted service provider, can be combined to meet the minimum population criterion of 100 households.

In addition, if two or more incorporated municipalities (non-RWA) under the 100-household threshold would like to partner or share depot recycling program services to meet the 100 household criteria, SK Recycles will review, assess and provide approval on a case-by-case basis. The incorporated municipalities that partner together must have adjoining municipal boundaries or be no more than five kilometres apart and elect one primary municipality to be the contracted partner to SK Recycles.

In the case of an RWA or a partnership of two or more municipalities, the households within the area encompassed by the combined municipal boundaries will be considered the service area and will be agreed to in advance with SK Recycles. For municipalities, the households within the municipal boundaries will be considered. Any adjustment to the number of households in a municipality or service area will be submitted to SK Recycles at defined intervals for approval by SK Recycles.

Primary vs. Supplemental:

If the minimum population threshold is met, depot eligibility will be further defined based on the availability of curbside or multi-family collection services under the SK Recycles program:

- A. Primary Depot: A depot that services households that **do not have** curbside or multi-family collection services offered under the SK Recycles program or any other private collection program.
- B. Supplemental Depot: A depot that services households that **have** curbside or multi-family collection services offered under the SK Recycles program or any other private collection program.

Both Primary Depots and Supplemental Depots must be permanent depot location(s) that meet one of the depot classes (Class 1-3) outlined in "Phase 3 Depot Collection Standards, Policies and Procedures", located in the eligible municipality or service area and used by residents for recycling of household

packaging and paper. A depot location may be operated and/or serviced by a municipality, RWA or private company.

Municipalities joining an RWA as a member for depot collection service after January 1, 2026 will be subject to SK Recycles' review and eligibility approval to ensure additional member municipalities meet the SK Recycles program requirements and intentions including prioritizing operational efficiency and the collection of high-quality in-scope residential packaging and paper material.

Depot Fee Rates:

SK Recycles intends to offer a depot fee rate to municipalities and RWAs that will be reflective of the cost to efficiently and effectively provide depot collection services to the residents of the municipality or service area. This fee rate will be based on the number of households within the municipality or service area and may be supplemented by other criteria as determined by SK Recycles.

Depot fee rates will differ between Primary Depots and Supplemental Depots, with Primary Depots receiving a higher fee rate per household than Supplemental Depots since it will be the primary collection method for packaging and paper in those municipalities and service areas. Where a municipality or services area contains both households with curbside or multi-family collection and those without, the depot fee rate paid by SK Recycles will be weighted to reflect the relative split between the two types of households.

Depot fee rates will also differ between Class 1, Class 2, or Class 3 depots as defined in the "Phase 3 Depot Collection Standards, Policies, and Procedures", as each class is expected to provide a different level of service.

Allowable Number of Depots:

As SK Recycles will partner directly with municipalities and RWAs, it will be left to the discretion of the municipality or RWA to determine the appropriate number of depot locations to effectively and efficiently service their residents with the depot fee rates provided by SK Recycles. With that said, it is SK Recycles' expectation that depot locations will be carefully selected to best service the intended residents while minimizing redundancy, cost, and inclusion of industrial, commercial, and institutional (ICI) materials. SK Recycles will retain the right to refuse or remove depot locations if they are deemed in contradiction to these intended outcomes.

SK Recycles will work with municipalities and RWAs to assess and approve depot locations in eligible municipalities and service areas to ensure depot locations are located in, or nearby, residential focused areas that foster operational and logistical efficiencies, positive environmental outcomes and the capture of high-quality in-scope residential packaging and paper.

SK Recycles reserves the right to expand its depot collection network beyond the eligibility criteria to meet the program's recovery targets or to contribute to the efficiency and effectiveness of the collection system.

PHASE 3 DEPOT COLLECTION STANDARDS, POLICIES AND PROCEDURES

The “Phase 3 Depot Collection Standards, Policies, and Procedures” is intended to provide clarity between the three classifications of depots that depot collection providers can submit for inclusion in the SK Recycles program as part of Phase 3 of the implementation to full EPR. Each class of depot provides a valuable service to Saskatchewan residents, creating a means for accessible recycling services throughout the province, while higher class depots also provide increased material streams and quality.

This document is also intended to provide clarity on what is included in the depot fee rate provided by SK Recycles for the applicable depot service. Each depot class includes a list of attributes and required depot collection procedures, policies and standards, as outlined below. The depot fee rate provided to depots in each class will reflect the attributes, procedures and standards associated with that class.

All Depots:

The following apply to Class 1, Class 2, and Class 3 depots:

- Collection of in-scope packaging and paper – the following materials are all accepted for collection:
 - Paper
 - Paper packaging
 - Cardboard
 - Plastic containers
 - Metal containers
 - Cartons and paper cups
- If materials are collected outside, all materials are collected in containers with lids to minimize the amount of moisture and contaminants entering the container.
- A garbage collection program is in place that provides garbage collection service to residents of the municipality or service area, whether curbside or landfill/transfer site collection.
- 20% of collected material will be deemed to come from industrial, commercial and institutional (ICI) sources and SK Recycles’ cost to manage that amount of material will be deducted from the depot collection service provider’s depot fee rate provided by SK Recycles. The estimated percentage of ICI material collected may be reduced based on a depot ICI study or audit process as agreed upon with the depot collection service provider and SK Recycles.
- SK Recycles collects and recycles household packaging and paper. Depot contamination rates will be monitored to ensure high-quality, in-scope material is collected. The depot agreement will set contamination thresholds, and depots exceeding these limits will be required to enter a contamination remediation plan. Insufficient reduction in contamination after a reasonably defined period may lead to Service Level Failure Credits or agreement termination.

Class Specific

In addition to the above criteria, individual depot classes are defined as follows:

Class 1 Depots – Unsupervised:

- Depot locations are unsupervised and permit 24-hour access to the public.
- A depot location consists of one or more bins located together to provide depot service.
- Glass bottles and jars, flexible plastics and foam packaging are not accepted for collection.
- Prominent signage (signage templates will be made available) at the depot's entrance and/or on bins clearly illustrate the materials accepted for collection.

Class 2 Depots – Partial Staffing:

- Depot locations include staff that are present during operating hours but are not interacting with most residents dropping off recycling or providing guidance on recycling rules.
- Established operating hours are posted and enforced.
- The depot site is fenced or otherwise secured against public access during non-operating hours.
- Glass bottles and jars, flexible plastics and foam packaging are permitted (but not required) to be accepted for collection, each of which may be associated with its own depot fee rate and must be collected as segregated material categories.
- Prominent signage (signage templates will be made available) at the depot's entrance and/or on bins clearly illustrate the materials accepted for collection.

Class 3 Depots – Fully Staffed:

- Depot locations include staff that are present during operating hours and actively monitor and assist residents dropping off recycling.
- Established operating hours are posted and enforced.
- The depot site is fenced or otherwise secured against public access during non-operating hours.
- Glass bottles and jars, flexible plastics and foam packaging must be accepted for collection and must be collected as segregated material categories.
- Prominent signage (signage templates will be made available) at a minimum of two locations, including the depot's entrance and on collection bins, clearly illustrate the materials accepted for collection.

Depot Fee Rate

SK Recycles will be responsible for providing depot collection service providers a depot fee rate that will enable effective and efficient delivery of a household depot recycling program for in-scope materials in alignment with the type and class of depot established. The fee rate is intended to cover the applicable costs such as:

- the proportion of the depot facility costs dedicated to the collection of residential packaging and paper, including, but not limited to labour, leases, amortized infrastructure, utilities, administration, snow removal, etc.,
- the service to pick up and transport the depot material to the designated receiving facility as defined by SK Recycles, and
- the amortized cost of the collection containers, where applicable.

For clarity, the depot fee rate does not include, and depot collection service providers will not be paid for:

- the cost to process the collected materials (this work is handled directly through SK Recycles post-collection network), and
- the associated commodity values, whether positive or negative, associated with collected materials.

Sub-contracted Services

SK Recycles recognizes that most municipalities and RWAs contract out depot collection services to private companies. In smaller communities, a single private company may service multiple depot locations associated to different municipalities or services areas on a single truck route. In these instances, SK Recycles requires the ability to work directly with the sub-contracted service provider to ensure proper chain of custody reporting. This means understanding which depots each truck has serviced when it arrives at the designated receiving facility such that the weight of the material on that truck can be properly allocated to the depots from where it was collected (in aggregate).

SK Recycles reserves the right to require certain technologies be used in the collection of depot material to better track weight and quality of material collected from each depot location (e.g. fork scales, cameras and/or artificial intelligence systems). SK Recycles will work in good faith with depot collection service providers and their sub-contractors to implement these technologies.