

Tire Stewardship B.C.
BOARD MEETING
September 19, 2022
Consent Agenda
(agenda item #3 on the main agenda)

Distribution List:

TSBC Board

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a. Action Item list (Appendix A)

b. Executive Director's report

- Economic forecast
 - As part of my semi-annual meeting with Neil Bansal, the concern about markets was the primary topic. This details of this discussion and proposed steps will be on the Sept 19 agenda. We are extremely lucky that once again, Western comes to us with a plan and does not expect TSBC to solve the problem, just assist where feasible.
- Communications & Outreach
 - A copy of the May Social Media report is attached as **Appendix B**.
 - A brief update will be provided at the Sept 19 meeting with a full report from Bianca at the December board meeting that will include the results of our Communication & Awareness Survey.
 - The use of recycled rubber as garden mulch continues to be a focus of (negative) comments on social media but we have established a formal response with the help of Liberty.
 - Through our PR person, Kari Kylo, TSBC continues to issue press releases, which for the most part garner attention from industry magazines, radio and newspaper.
 - Directors are encouraged to view our [News and Update](#) section.
 - Stewardship Plan renewal - No response yet from the Ministry.
- Stewardship Agencies of BC (SABC)
 - There is a significant amount of work being done by the group and the primary focus is to bring into play policies and actions to help the overworked/understaffed/ dysfunctional ministry.
 - One area of focus is the Producer Paying the Cost section of the Regulation and subsequent guidelines issued. Most, if not all, stewards are facing a battle with the Ministry on this issue and have formed a sub committee, which has now engaged legal counsel to help formulate the argument that the Ministry is acting outside of its regulatory authority with some of the requests and guidance related to this issue.
 - In addition, the group has agreed it needs to start communicating about the success of the EPR model in BC. A government relations strategy has been created and programs are being asked to invite MLAs to program specific events (collection events for TSBC) and SABC representatives will also be present at events MLAs are attending. I have been in attendance at a few collection events with Liberty – no MLA has attended yet – but this provides the opportunity to engage with the consumer and feedback has been extremely

positive. We intend to have a team of ambassadors back on the road in 2023, who will attend these events – my attendance will be limited to those areas of issue and should an MLA accept our invitation.

- In the last consent agenda for the July 5 & 6 meetings, a report called the Dark Side of EPR was referenced. There has been no more mention or activity related to this issue.
- Claims Project
 - The system went live July 11, 2022, with a few hiccups, which were to be expected, and these are still being worked through. Joji manages this process working with the IT team and program participants.
 - The e-manifest project is under development, and I am working with the Get Smart team to look at options and determine the best course of action. A short presentation will be made to the Audit & Investment Committee on Sept 14, and should any board direction be required, this will be on the September 19 agenda.
- Review of TI model methodology and source data
 - Western Rubber was presented with options for a new model but it appears the current model may still be the best approach with some tweaks. Joji, and our hired CA, Chris Leary, are waiting for an official response from Western before proceeding. During all this work, we are stressing upon Western that they must keep the haulers engaged and informed as we do not need this stakeholder group reaching out to the Ministry with their concerns of being under compensated.

c. Operations Report

Revenue statistics (includes all revenue)

Tire Category	YTD July 2022 vs. YTD July 2021 - % Change
PLT	-8%
MT	62%
AG	1%
LS	-1%
ALL	3%

RIV revenue 3%

- Overall revenue split for YTD July 2022 compared to YTD July 2021 is approximately: PLT 74% (83%), MT 24% (15%), AG 1% (1%), LS 1% (1%)
- MT fee increased to \$14 Jan 1, 2022, from \$9 which is driving about 56% of the \$ increase, the remaining 6% of the 62% increase is related to increased # of units.

Measures, Targets and Results - Important to note is that none of the targets are approved by the Ministry – the targets presented are the ones put forward in the new plan.

1. Recovery Rate Targets (units collected / units sold from 5 years prior)

	2022 Target	As of July 31, 2022	YE 2021
Total	90%	108%	95%

- Recovery rate above 100% but its still relatively early in the year. Units sold typically rise in Q3 and Q4 while units collected will drop relatively speaking which will drive down the recovery rate. Was 89% YTD July 2021. Units collected up about 11% compared to YTD 2022 with units sold 5 yrs prior down about 8% to explain the 19% increase from 89% to 108% respectively.
- PLT makes up approx 91% and MT approx 9% of the units collected and sold.
- AG and LS units collected and sold have a negligible impact on the overall recovery rate.

2. End Fate Targets (Pollution Prevention Hierarchy)

Component (Target%)	YTD July 2022 (2021 actual)			Total
	Recycle	Energy Recovery	Landfill	
Rubber (88,11,1)	92.6 (87.6)	6.2 (11.1)	1.1 (1.3)	100%
Steel (100,0,0)	100.0 (100)			100%
Fibre (0,98,2)		100 (99.1)	0 (0.9)	100%

- For YTD July 2022 compared with YTD July 2021 within Recycle, all steel is recycled and the relative mix of crumb to mulch is 79:21 vs 64:36
- New 2022 target % listed above. For 2021 the Rubber was 86,13,1. Steel and Fibre unchanged.
- Western must seek approval from TSBC if directing more to Energy Recovery than budgeted.
- For Energy Recovery, the Rubber 2022 target decreased to 11% from 13%.
- Some Fibre was redirected to landfill in 2021 due to a fatality at the Lafarge cement plant in late 2020 but this is not expected to happen in 2022.

#	Measure	2022 Target	YTD Result*	2021 actual
3	Number of collection sites (i.e., registered retailers that will take back a scrap tire from the consumer at the time a new tire is sold)	1,850	2,014	1,981
4	a) Total number of retailers and generators in BC that take back orphan tires (R2R) b) Number of R2Rs in each Regional District	a) A minimum of 25% of "registered retailers" ~ 525 b) At least 25% of registered retailers in each Regional District are R2R locations	On track On track	777/800 target Achieved
5	Education and Awareness a) Awareness of where to take scrap tires for safe disposal b) Awareness of where to go to find information on safe disposal locations	a) Maintain or increase awareness level of 56% b) Maintain or increase awareness level of 68%	N/A** N/A	56% 68%

*As of Aug 31, 2022 ** survey will be held Oct 2022

Compliance & Education

2022 TSBC reviews – conducted by IntegriServ

- 100 reviews completed or in progress @ August 31, 2022. Those in progress (19) will be completed by September 30.
- Costs and recognized recoveries*: \$93,000 & \$18,000.
- 120 retailers, at minimum, to be reviewed by year end

*recognized recoveries: this is when the amount owing is posted to the GL and is an amount agreed to by the retailer and TSBC. Any unrecognized recovery is when the retailer is disputing the findings and remains unrecognized until the issue is resolved.

Compliance Review Survey

Two surveys were completed (NCD and TD) – both positive. Feedback received during conversations with Retailers (if questions re results. etc.) typically remains very positive.

Planning

The review process initiated in 2020 i.e., using IntegriServ to conduct remote reviews, continues to work well. Although the challenges of retailers' staffing shortages (e.g., reduced operating hours, lack of administrative staff, etc). continue to cause some delays in scheduling, generation of the required reports, etc., the situation has improved significantly.

There are currently four IntegriServ resources working on the reviews. As required, additional resources will be retained to ensure as many reviews as possible are conducted. Status of reviews will continue to be monitored closely by TSBC (as well as by IntegriServ management) and additional resources will be assigned, as required, to ensure goals are met.

Errors

Some errors such as:

- system change resulted in omission of ADF on warranty replacement tires
- tires coded incorrectly – wrong ADF rate applied

but "human" errors continue to represent the majority of errors, e.g.

- ADF remitted on tires supplied by customer (Retailer will be credited when customer refunded)
- ADF removed in error on transactions
- internal accounting staff errors - monthly reconciliation issues

TSBC – filing compliance & accounts receivable

The new revenue system continues to assist with reducing the number of non / late filers and any AR, due in part to automated reminders the participants receive.

The Ministry has now started to do some follow up with non-compliant retailers. It is a slow process, but at least it has started, and we have had a response from one retailer that has been ignoring us for years. We remain hopeful this will continue to be a focus for the Ministry staff.

CATRA Harmonized Compliance Reviews

- **2022: Completed reviews:**
 - Brandt Tractor, Fountain Tire, Costco, OK Tire Stores
- **2022: In progress / schedule reviews:**
 - Goodyear, Kal Tire, Princess Auto, RONA, Walmart

2021 HCRs - still in progress

Michelin – remains in progress (mainly due to volume of data)

Quattro Tire – participant remains un-cooperative – left to agencies to initiate their own review (with assistance from their own legal support)

Costs billed to date: \$6,500

Grant Program

- The program is closed for 2022 with 13 grants awarded. We continue to promote this program with issue of press releases when projects are complete, social media posts and TSBC director attendance at some events.

d. Partnership reports

- Western Rubber – monthly meetings continue to occur and there will be a report on the main agenda.
- Lehigh
 - No meeting held.
- North West Rubber
 - Meeting to be held Sept 15 – report on main agenda.
- Advisory Committee
 - No meeting held.
- Ministry of Environment & Climate Change Strategy (Ministry)
 - The next Stewardship Agencies of BC (SABC) full member meeting with the Ministry will be held in October.
 - There has been some internal reorganization within the stewardship section with some legacy staff being moved off the operational side and into policy development. In addition, programs will no longer have a file lead. Instead, the Ministry will provide a dedicated conduit that will be the “entry point” to the Ministry for day-to-day communications, issues management and correspondence. Time will tell if this change achieves the objective of a more efficient process.
 - TSBC continues to monitor collection at local government sites with weekly meetings between Joji and Joe Pitre to ensure this stakeholder group is managed. In addition, Joji will be sending out the annual survey to illicit feedback on collection etc.
- Stewardship Agencies of BC (SABC)
 - Meetings held (member & committee): numerous!
 - The focus of this group is working with the Ministry on any potential policy changes they are considering with the objective of helping the Ministry draft policy that works for all concerned. Current policy development: financial reporting; stewardship plan submission process; amendment to the accessibility framework (access to drop off locations) and a

rewrite or cancellation of the current Producer Paying the Cost Guideline. With the ongoing dysfunction at the ministry, the group has engaged legal counsel to help the stewards understand if their concerns are legitimate and what steps should be taken to address the concerns.

e. Board committee reports

- Audit & Investment committee
 - Meeting to be held September 14
- Contractor Relations (HR) Committee
 - Report to the board will be held at the in-camera meeting.
- Market Development Committee
 - No meeting held.
- Governance Committee
 - No meeting held.
- OTR committee
 - Meeting held August 24 with an update to the committee on staff work to date. Work will continue with the committee engaged and providing direction to staff as the process continues. There is no guarantee the Ministry will pursue regulating these tires but with stakeholders asking for it, including those that are the obligated party under the Regulation, the Ministry may have no choice.

f. Board Calendar (Appendix C)