

Tire Stewardship B.C.
BOARD MEETING
July 5 & 6, 2022
Consent Agenda
(agenda item #3 on the main agenda)

Distribution List:

TSBC Board

Glenn Maidment, Ken Rees, Mark Endersby, Glen Ringdal, Norm Schmidt, Adrian Courtenay, Tim Hollett

TSBC Staff

Rosemary Sutton, Joji Ishikawa

a. Action Item list (Appendix A)

b. Executive Director's report

- Annual Report
 - The report was drafted prior to my departure and reviewed, formatted etc. by Birthe Levie (TSBC consultant) and approved by the Executive in May. The fully finalized report will be distributed to the directors, submitted to the Ministry of Environment and Climate Change Strategy (Ministry) and published on the TSBC web site by July 1 – a regulatory requirement.
- Non-Financial Audit
 - The audit was initiated June 6th and feedback from the auditors indicate no issues. This report is an attachment to the Annual Report.
- Communications & Outreach
 - A copy of the May Social Media report is attached as **Appendix B**.
 - Bianca will be in attendance on July 6 to present on all communication and awareness activities.
 - 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. The most recent press release will be issued shortly to announce our 2021 grant recipients.
 - Directors are encouraged to view our [News and Update](#) section.
- Stewardship Plan renewal
 - On April 29, TSBC sent in an amended Plan based on Ministry feedback.
 - The amended Plan now sits with the Director for approval. There is no action TSBC staff can take at this point until an approval letter, or another type of response is received. I believe we will receive an approval letter with conditions and the conditions will be around Producer Paying the Cost - specifically paying local government to accept and manage our tires. A brief discussion on this will be held during the Strategic Planning portion of the meeting.
- 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 to escalate this to the level of seeking legal counsel. This work has just begun with a kickoff meeting held June 20.

- In addition, the group has agreed it needs to start communicating about the success of the EPR model in BC. Being a successful model, that some provinces and / or states in the US strive to duplicate, there is significant bashing of the model by those stakeholders that feel disadvantaged by it. The Bottle Depot Association of BC (Association) prepared a report called the Dark Side of EPR – I have attached the report to the email, which you may choose to read **but I would ask that you do not distribute** as this currently remains a report only distributed within the ministry. This report is full of inaccuracies and very self-serving as it boils down to an going argument between the Association and Encorp on compensation. This report has been on the Minister’s desk since April with no request to the stewards to defend themselves. As it MAY go public at some point, the group has decided on a 3-pronged approach to a response to the Director at the Ministry:
 - The producers, represented by the Retail Council of Canada, will respond;
 - The stewards named in the report will respond; and
 - SABC will provide a very short and sweet response.
- Claims Project
 - The project is in full swing with go-live scheduled for July 11, 2022. The day-to-day process is being managed by Joji supported by his staff, with oversight from me. The project to introduce e-manifests for tire collection will likely be initiated in late 2022 with implementation in 2023. However, there are a lot of factors dictating timing, including available resources and funds. Staff will seek guidance from the board on options being considered (TSBC built, use of E-tracks system for an ongoing fee, or use of Liberty’s system) once those have been fully flushed out.
- Review of TI model methodology and source data
 - The current methodology used to determine increases (and decreases) to the fuel and non-fuel costs needs improvement. This comment comes from both staff and the haulers. TSBC has engaged Chris Leary, CA and original creator of the current model, to work with staff, primarily Joji, to draft a better approach and more relevant source data. TSBC will consult with the impacted stakeholders throughout the development of the new model.

c. Operations Report

Revenue statistics (includes all revenue)

Tire Category	YTD April 2022 vs. YTD April 2021 - % Change
PLT	-6%
MT	62%
AG	0%
LS	-3%
ALL	4%

RIV revenue 0%

- Overall revenue split for YTD April 2022 compared to YTD April 2021 is approximately:
PLT 75% (83%), MT 23% (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 April 30, 2022	YE 2021
Total	90%	111%	95%

- Recovery rate above 100% but its early in the year. Was 99% YTD April 2021. Units collected up about 15% compared to YTD 2022 with units sold 5 yrs prior up about 3% to explain the 12% increase from 99% to 111% 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 April 2022 (2021 actual)			Total
	Recycle	Energy Recovery	Landfill	
Rubber (88,11,1)	97.2 (87.6)	2.1 (11.1)	0.7 (1.3)	100%
Steel (100,0,0)	100.0 (100)			100%
Fibre (0,98,2)		100 (99.1)	0 (0.9)	100%

- For YTD April 2022 compared with YTD April 2021 within Recycle, all steel is recycled and the relative mix of crumb to mulch is 76:24 vs 60:40
- 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	2,023*	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 *as of June 13, 2022

Compliance & Education

2022 TSBC reviews – conducted by IntegriServ

- 26 reviews complete (12 tire dealers, 12 new car dealers and 2 tire retail chains).
- Costs and recognized recoveries*: \$37,000 & \$5,500.
- 45 accounts to be reviewed @ June 30, 2022
- 100 accounts to be reviewed (or in progress) @ August 31, 2022
- Hopeful that in-person reviews will start in the 3 quarter.

*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

No surveys have been returned this year but during conversations with retailers, the feedback has been typically very positive. There was one exception, but it was related to tire collection, not the review process itself.

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.

TSBC – filing compliance & accounts receivable

The new revenue system continues to assist with reducing the number of non / late filers. We have also resurrected a very focused accounts receivable process, chasing those with money owing on their accounts. The new revenue system provides automated notifications that escalate based on the age of the balance and results in a registered letter and a collection agency for \$s owing past 90 days. The process has been very successful in cleaning up very old AR and it is anticipated the constant automated notifications will see the number of AR accounts that hit more than 90 days to reduce to close to zero. This process is managed by Joel Butler, our revenue cycle administrator.

In addition, a new process was implemented with the Ministry in 2022. Each monthly the stewards can submit a list of non-compliant files to the Ministry for their compliance action / follow up. The Ministry has done nothing with the information provided.

CATRA Harmonized Compliance Reviews

- **2022: As of May 31/22, these reviews are at varying stages in the process:**
 - Brandt Tractor, Fountain Tire, Costco, OK Tire Stores - are in progress
 - Goodyear, Kal Tire, Princess Auto, RONA, Walmart - have been scheduled
- **2021 still in progress:** Michelin – remains in progress due to large volume of data. Quattro Tire – remains un-cooperative – next step is each agency to initiate their own review (with assistance from their legal support)

Grant Program

- The application period was open until March 17, 2022. A total of 18 received, totaling a request of ~\$425,000 (budget is \$350,000). The adjudication process resulted in 13 grants awarded for a total cost of \$280,000.

d. Partnership reports

- Western Rubber – there will be a report on the main agenda.
- Lehigh
 - No meeting held.
- North West Rubber
 - No meeting held.
- Advisory Committee
 - Meeting held April 27, 2022 - report on main agenda.
- Ministry of Environment & Climate Change Strategy (Ministry)
 - The Stewardship Agencies of BC (SABC) held its semi annual full member meeting with the Ministry. The Ministry has recently hired more staff including a new file lead for tires, assisting Meegan. More staff will not automatically mean less dysfunction, but we all remain hopeful.
 - The Ministry has been very critical of TSBC and their perceived issues of what occurred re lack of collections and the resulting landfill bans in Fraser Fort George Regional District (RD). Considerable work and reporting have been done to educate the Ministry and resolve the issue. We have not received any negative feedback from retailers, residents, or the RD in recent weeks. Staff will continue to monitor the situation.

- The Ministry was asking about the 6PPD issue and the impacts on the environment and I sent them a considerable amount of information on the issue, courtesy of Carol Hochu, President of TRAC. I have not received any further follow up questions.
- Stewardship Agencies of BC (SABC)
 - Meetings held (member & committee): June 1, 8, 15, 20.
 - 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. The dysfunction at the ministry continues to be of concern to all stewards although they have recently hired more resources, which may help. While we are trying to work with them to resolve issues, many of the SABC members are concerned about regulatory creep with the ministry producing guidance that has a questionable interpretation of some parts of the Recycling Regulation.

e. Board committee reports

- Audit & Investment committee
 - Meeting to be held June 27 – discussion on main agenda as part of 5-year financial forecast agenda item.
- 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
 - No meeting held but a letter was sent to the Director at the Ministry advising TSBC was starting work with industry stakeholders on the inclusion of non-program OTR up to 39” in the Recycling Regulation. No response received and not surprising given the Ministry’s priorities currently.

f. Board Calendar (Appendix C)