



Thinking
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Stewardship Ontario

MHSW Wind Up Plan Pressurized Container Fee Reduction Webinar

July 28, 2020

Today's Webinar

- To ask a question you can either:
 - Hit the Q&A button on the bottom of your screen to type and send in a question (Note you may have to toggle your cursor on the screen to show Q&A link): or
 - If you want to speak live you can raise your hand and we can unmute you and introduce you before you ask your question.
- Presentation and webinar recording will be available on the MHSW Wind Up webpage:
www.stewardshipontario.ca/mhsw-windup/

Today's Agenda

- MHSW Wind Up Plan (WUP) update
- Pressurized Container (PC) fee reduction schedules and forecasts:
 - Non-Refillable Containers;
 - Refillable Containers.
- Process for implementation of fee reductions for PC Stewards:
 - Documentation to be received;
 - Acknowledgement of Ministerial expectation that fee reductions with benefit consumers;
 - Treatment of stewards not in good standing with Stewardship Ontario.
- Next steps and further MHSW Wind Up Plan financial updates
- Questions/comments

MHSW Wind Up Plan Update

- New Ministerial direction and RPRA approval of MHSW WUP ISO Surplus Fund Transfer Addendum in June 2020.
- Stewardship Ontario has updated MHSW finances in light of amendments to WUP and COVID economic situation.

Updated Fee Reduction Approach – Pressurized Containers

	WUP December 2019	Updated WUP June 2020
Pressurized Containers Refillable	\$225,000 in fee reductions implemented over 5 quarters	\$225,000 in fee reductions implemented over 5 quarters
Pressurized Containers Non-Refillable	Potential fee reduction in final quarter	\$280,000 in fee reductions implemented over 5 quarters

PC Refillable Fee Reduction Schedule

Updated Fee Reduction Schedule Pressurized Containers Refillable

	Projected Program Costs (SSA)	Projected Steward Fee Reduction
2020 Q3 Invoice July	\$62,000	\$30,000
2020 Q4 Invoice Oct	\$78,000	\$35,000
2021 Q1 Invoice Jan	\$78,000	\$35,000
2021 Q2 Invoice April	\$79,000	\$60,000
2021 Q3 Invoice Sept	\$83,000	\$65,000
Total Reduction Target		\$225,000

- Stewardship Ontario will begin implementation of the fee reduction schedule for refillable pressurized containers with July 31, 2020 invoices in accordance with the above schedule.
- Fee reduction schedule may be adjusted depending on financial variables particularly in the case of a MHSW Program extension.

PC Non-Refillable Fee Reduction Schedule

Updated Fee Reduction Schedule Pressurized Containers Non-Refillable

	Projected Program Costs (SSA)	Projected Steward Fee Reduction
2020 Q3 Invoice July	\$226,000	\$40,000
2020 Q4 Invoice Oct	\$470,000	\$40,000
2021 Q1 Invoice Jan	\$530,000	\$40,000
2020 Q2 Invoice April	\$360,000	\$80,000
2020 Q3 Invoice Sept	\$355,000	\$80,000
Total Reduction Target		\$280,000

- Stewardship Ontario will begin implementation of the fee reduction schedule for refillable pressurized containers with July 31, 2020 invoices in accordance with the above schedule.
- Fee reduction schedule may be adjusted depending on financial variables particularly in the case of a MHSW Program extension.

Fee Reduction Schedule

Additional Budget Contingencies



Additional MHSW Budget Contingencies		
	Pressurized Container Refillable	Pressurized Container Non-Refillable
As of June 2020	\$144,000	\$422,000

- Each MHSW material category includes contingency amounts to deal with potential cost fluctuations in the MHSW wind up process including:
 - Provisions to finance bad debt;
 - Cost fluctuations in wind up cost estimates;
 - Late service provider claims;
 - Potential cost increases associated with an MHSW Program extension;
 - Reserve adjustments related to Steward adjustment reports.
- If the MHSW Program terminates as scheduled and budget contingency amounts are not needed in relation to wind up costs, remaining amounts may be added to surplus funds available for fee reductions:
 - Final fee reductions will be adjusted dependent on actual wind up costs incurred.

Fee Reduction Process

Final Steward Invoices

- Stewardship Ontario will delay final steward invoices until 90 days after program termination (September 30, 2021) in order to enable more complete financial reconciliations prior to determining the amount of surplus funds available for disbursement via a fee reduction in the final quarter of the program.
- If the MHSW Program, terminates as scheduled budget contingency amounts that are not required as of September 2021 will be added to surplus funds for distribution as a final fee reduction.
- Following the completion of all MHSW Financial arrangements there may also be residual funds (contingency amounts that cannot be released until all invoices have been resolved) in material categories that will be disbursed to Stewards.

Fee Reduction Implementation Process - Documentation

- Stewards will receive the following documentation in relation Q3 2020 invoices (covering Q2 2020 costs):
 - Cover email noting the inclusion of a fee reduction with respect to the attached invoice.
 - Page 1: Invoice list noting:
 - Amount payable to Stewardship Ontario;
 - Amount of fee reduction applied to Q3 2020 Invoice; and
 - Amount of Q3 2020 invoice Steward Share Assessment (SSA).
 - Page 2: SSA invoice.
 - Page 3: Fee reduction notice.

Fee Reduction Documentation

Email Invoice

- Stewardship Ontario covering emails associated with Q3 2020 invoices will include the following reference to the fee reduction process:

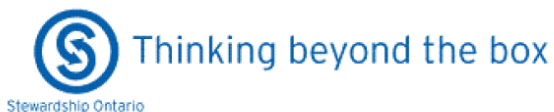
MHSW WUP Fee Reduction:

As per the approved MHSW Wind Up Plan, the attached invoice includes a pressurized container fee reduction notice. By accepting this fee reduction notice, you acknowledge the expectation of the Minister of Environment, Conservation and Parks that this fee reduction will benefit consumers.

Covering email will also include contact information for Stewards who have questions about the invoice or the fee reduction process.

Fee Reduction Documentation

Steward Attachment Page 1 – Invoice List



Stewardship Ontario
1 St Clair Ave West, 7th Floor
TORONTO ON M4V 1K6
CANADA

Pressurized Container Steward
123 Main Street
Mississauga, ON L5M 1Y3

Invoice List: 50001131
Invoice Date: July 31 2020
Steward Number: 1000002
Payment Due Date: August 30 2020

Invoice list will include
SSA Invoice Allocation
(all materials – example
pc containers only)

Invoice list will include
PC fee reduction
amount as a negative
entry

PC fee reduction will be
applied against SSA Invoice
amount to determine
amount payable. Invoice
will include HST amount
which Steward will claim
as Input Tax Credit.

Invoice Number	Reported By	Charges	Tax	Total
90114967	Pressurized Container Steward	3,486.00	458.13	3,939.18
90114981	Pressurized Container Steward	1,045.86-	0.00	1,045.86-
Total				2,893.32

Late payments are also subject to interest charges.

If you have any questions about your invoice, please contact Accounts Receivable at
1-855-354-2772 Ext. 117 or accounting@cssalliance.ca

Please send your cheque payable to Stewardship Ontario to the above address.

Please send your electronic fund transfer or wire money to:

Canadian Imperial Bank of Commerce, 1 Queen Street East Toronto M5C 2W5 ON.

Bank: 01000902 Branch: 00902 Account: 8402310

Fee Reduction Documentation

Steward Attachment Page 2 – Steward Share Assessment (SSA) Invoice



Stewardship Ontario



Stewardship Ontario

Stewardship Ontario
1 St Clair Ave West, 7th Floor
TORONTO ON M4V 1K6
CANADA

* PLEASE MAIL CHEQUES TO ADDRESS BELOW

Primary Contact

Pressurized Container Steward
123 Main Street
Mississauga ON L5M 1Y3

Invoice No.: 90114967
Invoice Date: July 31 2020
Steward Number: 1000002
P.O.No.:
Payment Due: August 30 2020
Reference: Sales Order # 57121

2020 Q3 Invoice (Q2 Report, Q1 Data)

Reported by: Pressurized Container Steward

This invoice represents your share of the MHSW Program quarterly costs, as per Ontario Regulation 11/12. For a detailed report of your share of the program's quarterly costs by material class please click on 'Print Report' once you have logged into the WeRecycle Portal. For more information about Ontario Regulation 11/12 please go to www.stewardshipontario.ca.

Current Charges:	3,486.00
Sub-total before Tax	3,486.00
HST Number 896338407-RT0001 - HST at 13%	453.18
Total Amount Due:	3,939.18

Late payments are subject to interest charges.

If you have any questions about your invoice, please contact Accounts Receivable at 1-855-354-2772 or accounting@cssalliance.ca

Please send your cheque payable to Stewardship Ontario at:
1 St. Clair Ave. West, 7th Floor, Toronto, ON M4V 1K6

Please send your electronic fund transfer or wire money to:
Canadian Imperial Bank of Commerce, 1 Queen Street East Toronto M5C 2W5
Bank: 010 Branch: 00902 Account: 8503915

As is the case currently, Stewards with multiple MHSW materials will find breakdown of allocated costs by material in the web portal

Steward Share Assessment Invoice will be the same as current quarterly invoices.

Fee Reduction Documentation

Steward Attachment Page 3 – Fee Reduction Notice



Stewardship Ontario



Stewardship Ontario

Stewardship Ontario
1 St Clair Ave West, 7th Floor
TORONTO ON M4V 1K6
CANADA

Primary Contact

Pressurized Container Steward
123 Main Street
Mississauga ON L5M 1Y3

Document No.: 90114981
Document Date: July 31 2020
Steward Number: 1000002
Reference: Sales Order # 70010365

MHSW FEE REDUCTION NOTE

2020 Q3 Invoice (Q2 Report, Q1 Data)

Reported by: Pressurized Container Steward

By accepting this fee reduction notice, you acknowledge the expectation of the Minister Environment, Conservation and Parks that this fee reduction will benefit consumers.

Fee Reduction:	1,045.86-
Sub-total before Tax	1,045.86-
HST Number 896338407-RT0001 - HST at 0%	0.00
Total Amount:	1,045.86-

Fee reduction notice
includes
acknowledgement of
expectation of
consumer benefits.

If you have any questions about your billing, please contact Accounts Receivable at
1-855-354-2772 or accounting@cssalliance.ca

Fee Reduction Process

Stewards not in good standing

- As per the MHSW Wind Up Plan, Stewards not in good standing with Stewardship Ontario will not have fee reductions released.
- Stewards with accounts in arrears to Stewardship Ontario at the time fee reduction notices are issued may have amounts owing to Stewardship Ontario deducted from their potential fee reduction notice.
- Stewards with accounts in arrears will be notified of:
 - Any adjustments made by Stewardship Ontario in relation to potential fee reductions; and
 - The status of the steward in relation to potential future fee reductions.

MHSW WUP Supply Reports

- Stewards continue to be obligated to submit quarterly supply reports as per existing schedules:
 - Final program supply report due July 31, 2021 (one month after program termination date).
- MHSW Wind Up Plan requires changes to former two-year window for supply report adjustments:
 - Adjustments related to 2020 required by February 12, 2021;
 - Final adjustment reports (2021) required by August 31, 2021.

Supply Report	Report Due Date	Report Obligation Period
Q3 2020	July 31, 2020	Q2 Data (April 1 – June 30)
Q4 2020	Oct 31, 2020	Q3 Data (July 1 – Sept 30)
Q1 2021	Jan 31, 2021	Q4 Data (Sept 30 – Dec 31)
Q2 2021	Apr 30, 2021	Q3 Data (Jan 1 – Mar 31)
Q3 2021	July 31, 2021	Q3 Data (Apr 1 – June 30)
Final Supply Adjustment Requests	February 12, 2021	For 2020 and earlier
	August 31, 2021	For 2021 only

Steward MHSW Wind Up Plan Invoicing

- Stewards will continue to be obligated to pay quarterly invoices (reduced by fee reduction).
- Due to COVID, Steward invoice payments are interest free for 90 days in 2020 (rather than 30 days).

Invoice Payment	Quarterly Costs Used in Fee Calculation	Fee Payment Due Date	Summary
Q3 Invoice (sent July 31, 2020)	Q2 material management & administrative costs	August 31, 2020 *	Q2 Report (Q1 data) & Previous 3 Quarters Q2 Costs Q3 Invoice (adjusted for fee reduction)

* Steward July invoice interest free until October 31, 2020.

- Final MHSW program steward invoice in 2021 will be delayed until 90 days after termination date to accommodate final financial reconciliations.

Next Steps and Further Financial Updates

- Financial Updates as Required (Pressurized Containers)
- Fee Reduction Webinars Other Materials:
 - Oil Containers, Oil Filters:
 - October 2020;
 - Other MHSW Materials:
 - January 2021
- Wind Up Termination Reminder Webinar (May/June 2021)

Notification of future webinars will be provided.



Questions?



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Thank you



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Appendix

Residual Funds vs Surplus Funds

- Surplus funds:
 - Funds in excess of those needed to finance MHSW operations throughout the wind up period;
 - Estimated in the MHSW WUP to be approximately \$43.3 million;
 - As per the approved WUP, these surplus funds will be returned to consumers through the implementation of fee reductions.
- Residual funds:
 - These are funds remaining in the program following the resolution of outstanding operational and financial obligations (including the disbursement of surplus funds);
 - Estimated in the Wind Up Plan to be approximate \$376,000.