

Executive Summary

As the Region of Waterloo's (Region) contract for downtown waste services nears its end in March 2026, the Region commissioned Dillon Consulting Limited (Dillon) to undertake a comprehensive Downtown Waste Services Review. The review aimed to evaluate current waste management practices, devise potential new strategies and consult stakeholders to determine the most viable waste management approach.

The Downtown Waste Services Review highlights that the Region provides varying levels of waste collection services across its downtown Area Municipalities, currently financed by a tax levy. The seven Area Municipalities include:

- The City of Kitchener (including Belmont Village) (Kitchener);
- The City of Cambridge (Cambridge);
- The City of Waterloo (Waterloo);
- The Township of Woolwich (Woolwich);
- The Township of North Dumfries (North Dumfries);
- The Township of Wilmot (Wilmot); and
- The Township of Wellesley (Wellesley).

The upcoming collection contract expiration signifies that maintaining the status quo is untenable, necessitating the investigation of three draft options. During the review process, Dillon engaged in a thorough analysis, including stakeholder consultations and jurisdictional reviews for informed decision-making. The three draft options under consideration were as follows:

- **Option 1:** This model maintains the Region's current role in administering and funding all aspects of waste collection, processing and disposal services. It features the implementation of automated cart collection for all waste streams and the introduction of a new green bin collection program. The Region assumes full cost responsibility under this plan.
- **Option 2:** Under this scenario, Area Municipalities administer the collection, processing and disposal of waste, enjoying greater autonomy over service levels. The Region would partially fund these services, with Municipalities shouldering the residual costs.

- **Option 3:** This approach represents a hybrid of the first two options, with Municipalities managing waste collection while the Region administers processing and disposal services.

Through the evaluation of these options based on economic, social, and environmental criteria, Options 2 and 3 marginally outperformed Option 1. However, notwithstanding scored preferences, Option 1 emerged as the most beneficial for both the Region and Area Municipalities, given its alignment with economies of scale, resource availability, waste diversion and service consistency.

Stakeholder feedback expressed varying levels of concern about each option, with key issues including the operational feasibility, potential administrative burden and cost implications. Stakeholders indicated that Option 1 would likely face lesser resistance due to its streamlined nature and the Region's ability to secure better pricing through large-scale contracts.

Given the complexities and the necessity for further consensus-building, the proposed next steps include continued stakeholder discussions about Option 1 and the preparation of a detailed review for subsequent presentation to the Regional Council for consideration.

This course of action advocates a well-informed, systematic approach, confirming all stakeholders' needs and perspectives are carefully considered. The selected waste management option should support enhanced environmental stewardship and align with the long-term objectives of the Region and its Area Municipalities, laying the groundwork for a future-focused waste management system.