

CRV Redemption Analysis



PRESENTATION TO:

SBWMA Board of Directors

January 30, 2020

Presentation Overview



- ❑ Background
- ❑ Major Findings
 - Financial Analysis
 - CRV Redemption Alternatives
 - Impacts on Diversion
- ❑ Key Conclusions
- ❑ Questions and Answers



SLIDE 1

Background



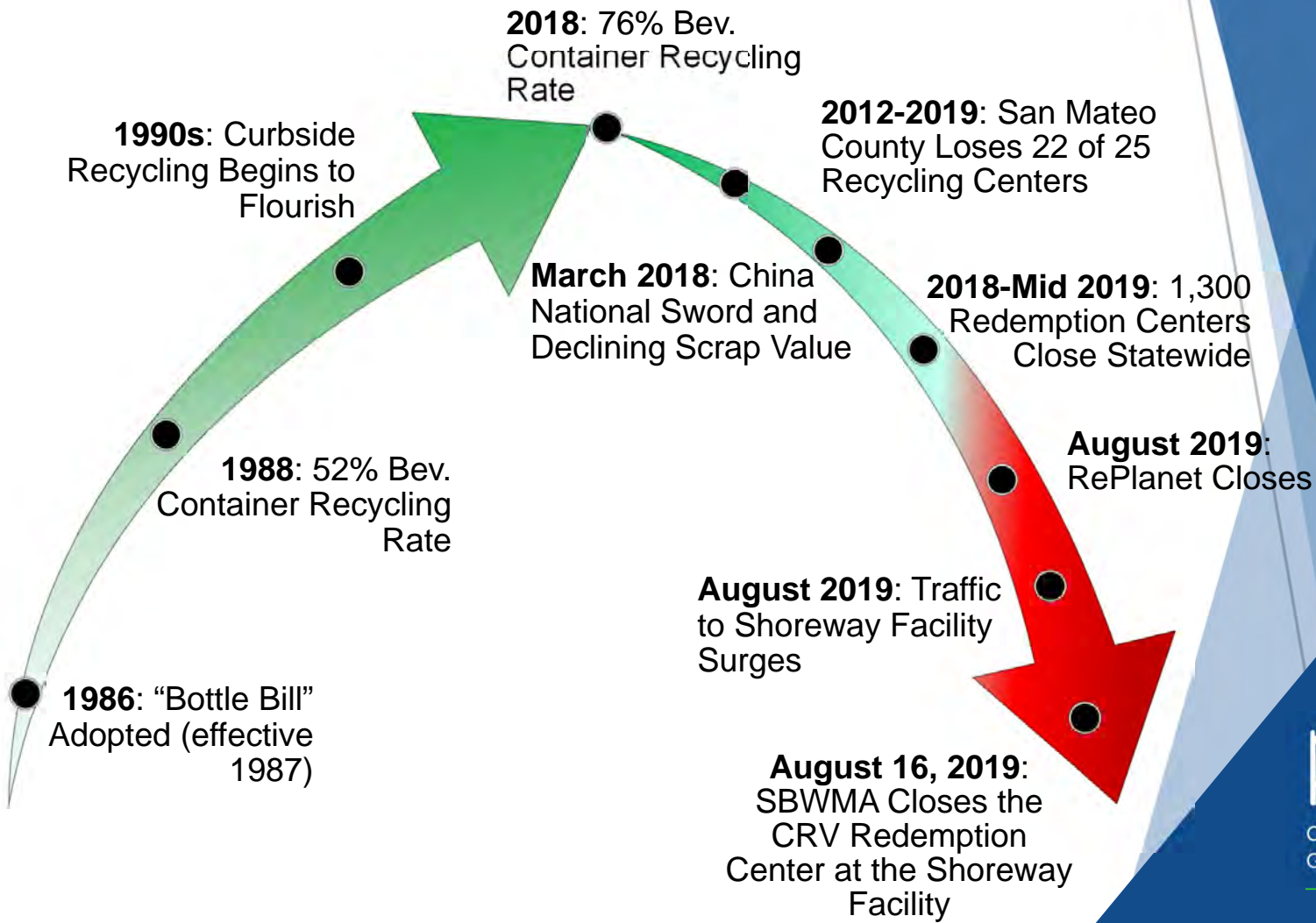
- ❑ “Bottle Bill” implemented in 1987
 - 5 & 10 cent redemption value on beverage containers
 - High recycling rates obtained in California
- ❑ 2018-19: “National Sword” and Declining Scrap \$
 - 1,300 redemption centers close statewide
- ❑ RePlanet Closes in August 2019
- ❑ Increased traffic post-RePlanet closure prompts closure of Shoreway CRV redemption center
- ❑ Long-term solution being sought after by State



SLIDE 2

Background

Timeline



SLIDE 3

Financial Analysis



- \$637,123 to run PRC with historical staffing (3.6 FTE)
- \$462,100 savings if redemption center portion of PRC is closed (2.4 FTE reduction)
- \$59,414 savings if redemption center staff (2.4 FTE) transitioned to transfer station
- R3 did not evaluate costs resulting from relocating CRV redemption center

*Annual savings based on 2020 rates



SLIDE 4

CRV Redemption Alternatives

- ❑ Operate a redemption center offsite or at multiple dispersed sites
 - Financially viable only through State's pilot program grant
- ❑ Limit the hours for the redemption center
 - Would likely exacerbate traffic volume
 - CalRecycle requires CRV redemption centers to be open a minimum 30 hrs/wk
- ❑ Locate the redemption center in a different location or re-route traffic
 - No alternative location without large expenses
 - Inadequate space to re-route activities

CRV Redemption Alternatives

Continued



- Operate the redemption center by appointment
 - Not permissible under CalRecycle regulations
- Reopen the redemption center temporarily (to assess traffic volume)
 - High risk
 - Decertified; takes 90 days to recertify redemption center
 - High potential for unserviceable traffic volume
 - Would likely need to convince State that redemption center would remain open for the duration



SLIDE 6

CRV Redemption Alternatives

Continued



- ❑ Hold events to collect CRV
 - Eligible use of pilot program grant funds
 - Partnership with a lead member agency(ies)
- ❑ Advocate for a Statewide solution
 - Advocate with other agencies and partners for legislative solution
 - Let CRV material flow through curbside recycling or other redemption sites

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SLIDE 7

Impacts on Diversion

- Long-term closure of the Shoreway CRV redemption center is not anticipated to have a noticeable impact on SBWMA's diversion rate.

SBR Inbound Weight in Tons	2015	2016	2017	2018	2019 (Through August)
Redeemed CRV Containers	926	886	795	756	480
Total Self Haul/Buyback/Drop-off	71,748	82,916	87,134	82,380	61,207
(% Redeemed CRV Containers)	(1.29%)	(1.07%)	(0.91%)	(0.92%)	(0.78%)
Total Shoreway Recyclables	108,957	98,171	80,813	79,446	51,063
(% Redeemed CRV Containers)	(0.85%)	(0.90%)	(0.98%)	(0.95%)	(0.94%)
Total Shoreway Diverted	253,988	254,118	255,828	252,123	165,214
(% Redeemed CRV Containers)	(0.36%)	(0.35%)	(0.31%)	(0.30%)	(0.29%)
Total Shoreway Tons	471,890	477,851	477,768	472,716	319,754
(% Redeemed CRV Containers)	(0.20%)	(0.19%)	(0.17%)	(0.16%)	(0.15%)

Key Conclusions

- SBWMA is not obligated to provide CRV redemption
- Access to CRV redemption still exists
- There are no cost-effective feasible alternatives to re-open CRV redemption at Shoreway
- Member agencies can apply for State grant funding (pilot program)
 - Mobile, event-based, or permanent CRV sites
- Closure of the Shoreway CRV redemption center will **not affect** diversion rate

QUESTIONS & ANSWERS

THANK YOU FOR YOUR TIME

For additional questions, contact:

Garth Schultz | R3 Principal

(510) 292-0853

gschultz@r3cgi.com



Slide 12

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Do we need this slide?

Jordan Muratsuchi, 1/15/2020