

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: JOEY HEJNOWICZ, ADMINISTRATIVE ANALYST,  
TRANSPORTATION AND PUBLIC WORKS  
SUBJECT: RESOLUTION APPROVING A MEMORANDUM OF  
UNDERSTANDING TO ALLOW ZERO WASTE SONOMA TO  
APPLY FOR GRANT FUNDING TO ESTABLISH NEW DROP-OFF  
RECYCLING CENTERS AND AUTHORIZING THE CITY  
MANAGER TO EXECUTE THE MEMORANDUM OF  
UNDERSTANDING ON BEHALF OF THE CITY

AGENDA ACTION: RESOLUTION

---

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, approve a Memorandum of Understanding Between the City of Santa Rosa and Zero Waste Sonoma Regarding Application for and Implementation of CalRecycle CRV Pilot Project Grant to allow Zero Waste Sonoma to apply for grant funding to establish new drop-off recycling centers and authorize the City Manager to execute the Memorandum of Understanding on behalf of the City.

---

EXECUTIVE SUMMARY

Many California Redemption Value (CRV) recycling facilities across California have closed in recent years. This has resulted in increased wait times at remaining facilities and customers foregoing their deposits by putting those containers in curbside recycling or through landfilling of the material. Currently there are only two CRV recycling facilities in Santa Rosa.

AB 54 was enacted in 2019 allowing the California Department of Resources Recycling and Recovery (CalRecycle) to expend up to \$5 million to support pilot CRV projects. Zero Waste Sonoma collaborating with the Petaluma Recycling Center (PRC) on a program utilizing AB 54 funds to establish ten new CRV collection facilities to be placed in currently underserved areas in Cloverdale, Healdsburg, Sebastopol, Santa Rosa, Sonoma, and Petaluma. To facilitate this program, Zero Waste Sonoma is requesting support to apply for the AB 54 CalRecycle funding in the form of a memorandum of understanding from its city partners. Approval of this MOU does not create a new financial liability to the City.

## BACKGROUND

In 1986, the California Beverage Container Recycling and Litter Reduction Act, also known as the Bottle Bill, was enacted to encourage recycling and reduce litter. This act enabled the creation of CRV facilities to reclaim bottles from Californians in exchange for payout of returned bottle deposits. In addition, the Bottle Bill established convenience zones designated by a supermarket at the center of a half-mile radius within which a state-certified recycling center must exist. The result of this legislation was the creation of hundreds of recycling centers throughout the state which allowed for customers to redeem their beverage container deposits.

In 2016, RePlanet, the state's largest operator of CRV recycling centers, closed 191 facilities, and closed another 284 centers in 2019. Sonoma County has seen a reduction of CRV recycling centers from 24 in 2012 to four currently, with only two in Santa Rosa. The result has been increased wait times at remaining facilities and customers foregoing their deposits by putting those containers in curbside recycling or mixed waste bins. Retailers, mainly grocery and convenience stores, within CalRecycle-designated convenience zones are required to either redeem the CRV material from customers or pay a \$100 per day non-participation fee.

In an effort to further increase diversion, the state legislature passed AB 54 in 2019 allowing CalRecycle to expend up to \$5 million to support pilot CRV projects.

## PRIOR CITY COUNCIL REVIEW

N/A

## ANALYSIS

Zero Waste Sonoma, a solid waste-specific joint powers authority of which Santa Rosa is a member, is developing a program with the Petaluma Recycling Center (PRC) to establish ten new CRV collection facilities within currently unserved areas in Cloverdale, Healdsburg, Sebastopol, Santa Rosa, Sonoma, and Petaluma by applying for AB 54 funding to support the program. The PRC would manage the regional program, purchase the necessary equipment, establish and service the drop off locations, sort the material at the PRC, and issue payments to customers through an online accounting system. If the grant application is successful three to four new CRV recycling centers are expected to be established in Santa Rosa. The recycling center would be solar-powered, unmanned, and portable, so it could be moved in the event the retail partner no longer wished it to be there.

Though program details are still under development and locations have not been finalized, Zero Waste Sonoma is requesting support from member agencies in the form

## CALRECYCLE CRV PILOT PROJECT GRANT

PAGE 3 OF 4

of the attached memorandum of understanding to apply for the CalRecycle grant funding. Grant funding will be available after a Notice to Proceed is issued from CalRecycle with a pilot project end date of June 30, 2022. CalRecycle requires that the grantee maintain ownership of equipment purchased with grant funds for at least five years.

As grant funding covers two years of operation and there is a requirement to retain ownership of equipment for at least five years, PRC has identified a potential funding gap of \$9,000 per recycling center per year to offset operational expenses. Zero Waste Sonoma and PRC are seeking commitments from the retailers at whose location these recycling centers would be located to assist with the funding gap for at least the three years after grant expiration to continue the program. As the hosting retailer receives the benefit of avoiding a \$100 per day, or \$36,500 per year, fee payable to CalRecycle for not providing a recycling option to their customers, Zero Waste Sonoma and City staff believe the retailers will have a strong incentive to fund the project at the \$9,000 per year level and provide their customers a convenient service.

In the event PRC is unable to secure additional funding from the hosting retailer, Zero Waste Sonoma and/or PRC would be responsible for covering the additional expenses of the program for from July 1, 2022 until at least June 30, 2025. In the event Zero Waste Sonoma and/or PRC cannot cover the additional funding amount at a particular location, PRC would remove the kiosk and the recycling center service would no longer be available at that location.

Staff expects Zero Waste Sonoma to submit a grant application in early May but does not have a timeline from CalRecycle regarding their review and approval process. Applications for this grant are received on a continuous basis until all funds are committed. Staff will update the Council when CalRecycle has made a funding determination on Zero Waste Sonoma's application.

### FISCAL IMPACT

If awarded, grant funding covers all expenses for the first two years of this program. PRC will need to secure \$9,000 per year per recycling center to cover the expenses of administering and operating this program, which could be provided by the hosting retailer or Zero Waste Sonoma. In the event all parties decide not to fund the recycling center beyond year two, PRC may remove the recycling center and no longer provide service in that location. Approval of this MOU does not create a new financial liability to the City.

### ENVIRONMENTAL IMPACT

This action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Section 15308 of the CEQA Guidelines as action taken by a regulatory agency as authorized by state or local ordinance to assure the maintenance,

restoration, enhancement or protection of the environment where the regulatory process involves procedures for protection of the environment, in that the proposed CRV Facilities will increase beverage container recycling and reduce the impact on the environment that results from disposing of beverage containers in landfills and the manufacture of new beverage containers from non-recycled materials.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

N/A

NOTIFICATION

N/A

ATTACHMENTS

- Resolution/Exhibit A – Memorandum of Understanding

CONTACT

Joey Hejnowicz, Administrative Analyst, Transportation and Public Works,  
[jhejnowicz@srcity.org](mailto:jhejnowicz@srcity.org), 707-543-3023