



# County of Santa Cruz <sup>0341</sup>

---

## DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060  
(831) 454-2160 FAX (831) 454-2385 TDD (931) 454-2123

THOMAS L. BOLICH  
DIRECTOR OF PUBLIC WORKS

### AGENDA: SEPTEMBER 26, 2000

September 14, 2000

SANTA CRUZ COUNTY BOARD OF SUPERVISORS  
701 Ocean Street  
Santa Cruz, California 95060

SUBJECT: REPORT BACK ON THE STATUS OF THE IMPLEMENTATION OF SB 332

Members of the Board:

On June 27, 2000, your Board adopted Resolution 255-2000 in support of the original intent of SB 332 to urge the Governor of the State of California to rescind his objections to full implementation of the letter and spirit of this legislation to expand the state's Bottle Bill. Your Board directed Public Works to report back on this date with the status of the legislative actions relative to the beverage container recycling law. This report also addresses regulatory actions and public actions.

In concert with your Board's action, a number of other jurisdictions and organizations have adopted similar resolutions or written letters on this issue. A summary of these responses is attached for your reference, and copies of these resolutions and letters are on file with the Clerk of the Board for your review. All of these letters and resolutions referred to one or more of the following points brought forward in your Board's resolution:

1. the processing fee has been set at an insufficient level to cover the costs of recycling low value containers
2. **difficult** to recycle multi-material beverage packaging has been excluded from the beverage container redemption program
3. all beverages that are not specifically identified in the statute have been exempted from the program.

The California Department of Conservation (DOC) held a series of six public hearings throughout the state and opened a 45-day public comment period that ended on August 7, 2000, regarding proposed regulatory changes made to implement SB 332. Your Board's resolution was included in comments received by the DOC. Permanent regulations have not yet been announced.

An attempt to further weaken the Bottle Bill failed in the California Legislature this session. The Assembly Natural Resources Committee twice rejected AB 2083 (Briggs), on April 10 and 24, 2000, which would have further restricted containers covered under the redemption program by exempting 100 percent juice containers distributed through school lunch programs from the recent Bottle Bill expansion.

The Legislature did agree to minor changes in the beverage container redemption program. Senate Bill 1906 (Sher) was an attempt by the original author to clarify and clean up aspects of last year's SB 332 Bottle Bill expansion. Among the more substantive provisions, SB 1906 clarifies that vegetable juice, such as tomato juice, is covered by the expansion; however, the language limits the coverage to containers of vegetable juice 16 ounces and smaller. The bill also closed a loophole so that containers of Kool-Aid and other non-carbonated, non-alcoholic beverages are included in the program. This bill was passed in the final days of the legislative session, and as of the date of this writing awaits the Governor's signature.

Californians Against Waste (CAW), a non-profit membership organization that helped fashion AB 2020, the original Bottle Bill legislation in 1987, as well as AB 939, the landmark landfill diversion legislation of 1989, has also been active in seeking broad implementation of SB 332. After unsuccessfully lobbying the Governor's office on these issues, on June 5, 2000, CAW filed suit against the State Department of Conservation (DOC) for its establishment of the processing fee provision of SB 332 in contradiction to the law. According to CAW's analysis, DOC's current processing fee arrangement will threaten the solvency of the beverage container recycling fund, from which support payments are made to curbside recycling programs, including Santa Cruz County's. CAW may in the future call for letters of support for its lawsuit.

Many interested parties in the state have shown interest in the Bottle Bill. While implementation of SB 332 may change if SB 1906 is signed into law by the Governor, since the passage of your Board's Resolution 255-2000, there is a possibility of further activity over the next year on both the legislative and legal fronts. Public Works intends to follow the issue of SB 332 implementation but believes that no further action is needed at this time.

It is therefore recommended that the Board of Supervisors accept and file this report and direct Public Works to return on the first Board meeting in April 2001, with a status report on the implementation of SB 332.

Yours truly,



THOMAS L. BOLICH

Director of Public Works

JS:mg

Attachment

RECOMMENDED FOR APPROVAL:



County Administrative Officer

copy to: Public Works

1. A letter dated February 23, 2000, to Governor Gray Davis from John Hanscom, Vice-President of the Northern California Recycling Association, expressing concern about deviations from SB 332 resulting from pressures by the packaging industry and urging the Governor to follow the language and intent of SB 332.
2. A letter dated May 31, 2000, to Governor Gray Davis from Paul Horcher, Director of the San Francisco Solid Waste Management Program, asking for reconsideration of recent interpretations of SB 332. This letter is accompanied by Resolution 8 15-99, dated August 23, 1999, of the City and County of San Francisco, Supporting Senate Bill 332, Which Revises the California Beverage Container Recycling and Litter Reduction Act.
3. Resolution 00-07, dated July 12, 2000, of the San Luis Obispo County Integrated Waste Management Authority Supporting the Original Intent of SB 332.
4. An action taken by the membership of the California Resource Recovery Association at its Annual Membership Meeting in Sacramento, CA, on July 25, 2000, to concur with the resolution adopted by the County of Santa Cruz Supporting the Original Intent of Senate Bill 332.
5. A letter dated August 1, 2000, to Karen Denz of the California Department of Conservation from Patricia Vorreiter, Mayor of the City of Sunnyvale, urging an interpretation of SB 332 which would further its original intent.
6. A letter dated August 2, 2000, to Darryl Young, Director of the California Department of Conservation (the agency which implements California's bottle bill) from Catherine McCarthy, Senior Planner for the Solano County Department of Environmental Management Local Task Force For Integrated Waste Management, reiterating the Solano County Board of Supervisors' support for SB 332 and expressing concerns about draft regulations that undermine the intent of SB 332.
7. A letter dated September 7, 2000, to the members of the California Resource Recovery Association from Liz Citrino, President of CRRA, encouraging members to take a resolution to the governing body in their jurisdiction similar to the County of Santa Cruz's Resolution Supporting the Original Intent of SB 332, which was included as an attachment.
8. The City Council of the City of Santa Cruz will consider a Resolution Supporting the Original Intent of SB 332 on its agenda of September 26, 2000.

NORTHERN CALIFORNIA RECYCLING ASSOCIATION

0344

Governor Gray Davis  
State Capitol  
Sacramento, CA 95814

February 23, 2000

RE: **Implementation of SB 332 (Sher) Bottle Bill**


Dear Governor Davis:

On January 1, 2000 the State Department of Conservation implemented a comprehensive expansion and reform of the state's Bottle bill program. As a result, California's recycling infrastructure will be infused with an additional \$75 million and hundreds of thousands of tons of glass, plastic and metal previously littered and landfilled will be recycled. We are becoming increasingly concerned regarding an emerging pattern on the part of your Department of Conservation to dismantle elements of the compromise and reinterpret the statute based on objections raised by various interest groups.

1. On December 16, 1999, at the urging of the Glass Packaging Institute, the Department of Conservation changed its beverage manufacturer processing fee recommendations. The new processing fee, which violates both the letter and spirit of SB 332, will reduce beverage industry costs by more than \$14 million annually, and will force the legislature to address a fund deficit as early as 2002.
2. On January 1, at the urging of Dupont, Monsanto, and other manufacturers of plastic "pouch" packages, the Department of Conservation changed its decision to include multi-material pouches in the expansion. As a result, difficult to recycle multi-material packages will be "rewarded" with exclusion from the program, while more readily recyclable single material packages may find themselves at a market disadvantage. All of this complex packaging will require a beverage manufacturer processing fee high enough to cover recyclers' costs in handling these new containers added to the redemption system.
3. On February 29th, the Administration reversed the DOC's initial determination and has exempt all beverages not specifically listed in the definition of "beverage." Rather than clarifying the statute, this latest action by the Governor's office will result in dozens of beverage producers whose products are not specifically referenced in the statute (tomato juice (fruit or vegetable?), Clamato, coconut juice, drinkable yogurt, protein shakes, non-tea herbal drinks, rice drinks, wheat and soy-based drinks, etc).

We are strongly opposed to these recent actions and urge you to take action to reverse these decisions in order to follow the language and intent of SB 332. Allowing these decisions to stand would substantially weaken the agreement that had been reached last year between local governments, recyclers, non-profits, retailers, environmentalists and some sectors of the beverage industry.

Sincerely,



**49** John Hanscom  
Vice-President, Northern California Recycling Association