



THOMAS L. BOLICH
DIRECTOR OF PUBLIC WORKS

County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 950604070
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

AGENDA: APRIL 17, 2001

April 5, 2001

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

SUBJECT: REPORT BACK ON THE STATUS OF IMPLEMENTATION OF SENATE
BILL 332

Members of the Board:

On September 26, 2000, your Board accepted a report on the status of implementation of Senate Bill (SB) 332, following your adoption on June 27, 2000, of Resolution No. 255-2000 in support of the original intent of SB 332 to expand the state's bottle bill. Your Board directed Public Works to report back on this date with the status of further actions relative to the beverage container recycling law.

Since the September report, the Governor signed SB 1906, which cleaned up several provisions from last year's bottle bill expansion effort including clarifying that vegetable juice (in 16 oz. containers and smaller) and several other non-carbonated drinks such as Kool-Aid Bursts and Horchata are included in the program expansion.

Also in September 2000, the Department of Conservation (DOC), which administers the beverage container recycling law, announced that it was modifying Bottle Bill regulations consistent with comments and testimony provided by your Board's resolution of last June and others during a series of state-wide hearings in August. Specifically, the DOC amended the definitions of "medical food" and "milk" in proposed permanent regulations in a manner that narrows the scope of these terms, thereby limiting the types of beverages that may seek an exemption from the program. Soy, rice and grain beverages packaged in container types covered by the law (glass, plastic and metal) are now included in the redemption program.

As reported to your Board previously, Californians Against Waste (CAW), the non-profit membership organization which helped fashion the original Bottle Bill legislation in 1987, filed suit early last year against the DOC to broaden implementation of SB 332. Several of CAW's complaints have been resolved by the passage of SB 1906 and the DOC's adoption of amended regulations. CAW is pursuing the suit on the remaining issue of calculation of the processing fee provision of SB 332, which CAW argues is in contradiction of the law.

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In December 2000, the DOC announced the 2001 processing fee calculation, which again uses the same reputedly flawed formula. For example, beverages sold in polystyrene bottles with a \$642/ton cost of recycling pay just 6 thousandths of a cent per container because the recycling rate is projected to be less than 10 percent. Beverages sold in PET plastic bottles with a lower recycling cost (\$449/ton) but higher recycling rate, pay a processing fee 40 times higher than beverages sold in polystyrene. According to CAW's analysis, the DOC's current formula is effectively rewarding those plastic container manufacturers with the lowest recycling rates, and providing a clear financial incentive to keep rates down. No court date has been set yet for the CAW suit, as they continue with pre-trial discussions with the DOC.

While a number of recent changes in the beverage container recycling law and regulations appear to complicate the program, reports from recycling centers and curbside program operators suggest that the public is taking the changes in stride.

It is therefore recommended that your Board accept and file this report.

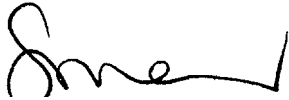
Yours truly,



THOMAS L. BOLICH
Director of Public Works

JS:bbs

RECOMMENDED FOR APPROVAL:



County Administrative Officer

copy to: Public Works Department