

Statewide Commission on Recycling Markets and Curbside Recycling Draft Meeting Notes

Date: January 20, 2021

Time: 8:30 AM – 12:30 PM

Present:

Commissioners Bouchard, Cadena, Davis, Dell, Donlevy, Ferrante, Kalpakoff, Medrano, Oseguera, Potashner, Sanborn, Schneider, Skye, Toyoda, Valle, and Ward.

Absent:

None

Agenda:

Agenda Item 1: 8:30 (5 min) Call to Order, Roll Call, and Establishment of Quorum

Chair Sanborn called the meeting to order, took roll call and established a quorum.
Public Comments: None

Agenda Item 2: 8:35 (5 min) Review and Potential Approval of Meeting Notes

Commissioner Donlevy and Deputy Director Heller clarified the correction to CalRecycle Director Machi Wagoner's name in the January 6 meeting notes. Commissioner Oseguera moved for a motion to approve the meeting notes. Commissioner Toyoda seconded and the motion passed.

Public Comments: None

Agenda Item 3: 8:40 am (20 min) Public Comment Review - Items Not on the Agenda

Public comments (for complete text of comments see Appendix I):

- Randy Lee
- David Slagle

Agenda Item 4: 9:00 am (30 min) Consideration of Urgency Recommendation Letter on CRV Convenience

Commissioners Lapis, Ferrante, and Schneider joined the Commission at 10:00 am.

Commissioner Donlevy discussed a draft letter to the Governor and the state legislature that outlined the commission's recommendations. These recommendations focused on requesting emergency action, increased funds, and an increase in CalRecycle's authority in order to create new redemption centers in underserved and rural areas. Commissioner Potashner added a recommendation to the letter to ensure that the allocation of requested funds does not negatively impact other currently funded programs. Commissioner Ward proposed some changes to the language, and the Commission approved the changes.

Commissioner Davis requested CalRecycle to post the draft meeting minutes for sub-committees on the Commission public notice page.

Commissioner Skye left at 10:34 am.

Public comments (for complete text of comments see Appendix I):

- Kiya Villarreal

Agenda Item 5: 9:30 am (50 min) Presentation from Kip Lipper

Kip Lipper shared his thoughts on the upcoming legislative session regarding recycling, potential updates to the Beverage Container Recycling and Litter Reduction Act ("Bottle Bill"), and the other recommendations made by the Commission.

Mr. Lipper voiced support for ongoing efforts to address single use plastic packaging and expects pertinent bills in the legislature this year. Rather than adding items to the Bottle Bill program, Mr. Lipper supported the creation of a new system or EPR program to address wine, spirits, and other plastic containers. He emphasized the need for robust domestic recycling markets, convenient access to redemption centers, and action against short lived climate pollutants. He also voiced general support for giving CalRecycle more authority and flexibility to determine and adjust scrap value or processing payments to improve California's recycling markets.

Commissioner Donlevy commented on the existing pilot programs and the need for urgency in updating the Bottle Bill. Mr. Lipper responded that while the convenience zones system and related incentives need updates, any update must be both economically viable and convenient for all Californians. Commissioner Valle raised concern for the difficulty that people that rely on redemption centers have in accessing a system which is vital to them.

Commissioner Ward brought up the preponderance of non-recyclable plastic materials in grocery stores as a clear impediment to the statewide goal of a 75% diversion rate. Mr. Lipper shared Commissioner Ward's concern and responded that he believes change is possible in that sector, especially as more industries recognize the need to adjust to reusable and recyclable packaging.

Commissioner Schneider discussed the need for legislative action on source reduction and reuse. She further cautioned any legislative actions that could exacerbate existing environmental justice inequities with the siting of new redemption centers.

Public comments (for complete text of comments see Appendix I):

- Liza Tucker
- Eric Winter

Agenda Item 6: 10:20 am (10 min) Update on Legislation

Chair Sanborn suggested that future legislative updates come as a written memo instead of during the meeting.

Chair Sanborn and Valle reported on a meeting they had with Senator Susan Eggman's Office related to the Commission's January report. There is a senator interested in taking up the labelling suggestions. A legislative consultant suggested that the report is posted on the CalRecycle webpage as soon as possible.

Chair Sanborn raised her hopes for the Commission's report to be posted on CalRecycle's website soon, and she proposed that the Commission write a public letter to promote the report. Commissioner Ward voiced support for the chair and vice chair to send out letters or statements that discuss any recommendations that have already been approved by the Commission. Chair Sanborn moved that she and Commissioner Valle write a letter to send out with the report. The motion was approved.

Mindy McIntyre said that there is likely to be an EPR bill for batteries this year. Otherwise, no new bills that have been introduced.

Public Comments: None

Break: 10:30 am (10 min)

Agenda Item 7: 10:40 am (20 min) 2021 Commission Calendar

Chair Sanborn suggested that Committee meetings increase and that Commission meetings are reduced to two or three hours. Commissioner Davis suggested that CalRecycle post draft minutes of Committee meetings prior to Commission meetings. Commissioner Lapis supported starting at 9 and changing the duration to 2 hours. Commissioner Schneider and Chair Sanborn discussed having the two-person, ad-hoc teams update the Commission via memos detailing their discussions and findings.

Chair Sanborn moved that, starting in February and continuing through June, the Commission meeting duration be two hours from 9am to 11am. The motion was approved.

Public Comments: None

Agenda Item 8: 11:00 am (20 min) Presentation by CalRecycle Office of Public Affairs on Survey on Educational Outreach Campaign

Maria West and Christina Files from the Office of Public Affairs, and Jennifer Tabanico from Action Research presented on the educational outreach campaign to improve curbside recycling in California and an associated survey that the Commissioners could soon receive.

The research process has focused on ensuring a strong impact on behavior, and the planned campaign will largely focus on reducing contamination and increasing organics recycling. Chair Sanborn emphasized that you can't educate your way out of contamination concerns due to the prevalence of mislabeling items as recyclable or compostable. Commissioner Davis discussed a similar ongoing project at his organization and offered to share those resources. Commissioner Dell moved that the whole Commission get the survey. The motion was approved.

Commissioner Schneider decried the lack of alternatives to single use plastic available to the public. Commissioner Toyoda commented on the uncertainty surrounding where to recycle items that cannot go into a curbside bin. Maria West responded that the primary focus was on curbside behaviors.

Public Comments: None.

Agenda Item 9: 11:20 am (1 hour) Committee Reports on Policy Recommendations for Commission Discussion and Possible Approval

Commissioner Potashner reported that the Organics Committee will have a meeting to set the agenda and goals for the rest of the year. Commissioner Donlevy reported on the Recycling Committee's focus on refillables at their upcoming meeting on Friday. Commissioner Dell discussed the Labelling and Marketing Committee's January meeting and noted that the next meeting will focus on the newly suggested labelling system. Commissioner Davis presented on the Market Development Committee's meeting from January 11 and the upcoming meeting on February 8 focusing on construction and demolition debris.

Chair Sanborn clarified that she is neither on the board of nor is she associated with the Association of Plastic Recyclers (APR) despite a comment during the last Market Development Committee meeting by the APR Director which later shared a letter posted on the google documents correcting his statement. Further, she reminded everyone that all commissioners agreed during the debate on the development of our Charter to be forthright with any conflicts of interest or concerns about potential conflicts that other commissioners might have if voting on a related item.

Commissioner Dell noted that the export data presented by the Association of Plastic Recyclers at that Market Development Committee meeting on national plastic exports to Canada was at serious odds with her data. Commissioners Davis and Donlevy stated that the information presented was not specific to California. Commissioner Donlevy

sent a follow up to the Association of Plastic Recyclers and will share any response he gets with the Market Development Committee.

Commissioner Ward presented on the two-person Waste Prevention Committee findings. He noted that this is a space as multifaceted and complex as recycling in general. Commissioners Toyoda and Lapis presented on their discussions on the Oregon Relationship Committee.

Public comments (for complete text of comments see Appendix I):

- Bruce Magnani 1
- Erika Daley
- Bruce Magnani 2

Agenda Item 10: 12:20 pm (5 min) Agenda Items for Future Meetings

Chair Sanborn proposed that the American Chemistry Council and GAIA each discuss chemical recycling at the next Commission meeting. Further, a new standing item will be created to update the Commission on any letters that the Chair or Vice Chair send out. Lastly, the Chair will reach out to Eunomia for a February 17 discussion on tax structures and incentives for creating a more circular economy.

Public Comments: None

Agenda Item 11: 12:25 pm (5 min) Meeting Summary and Closing

The Chair thanked Kip Lipper for joining them and thanked all the commissioners for their hard work.

Public Comments: None

Appendix I:

Randy Ly

Hi, I'm one of the managing partners at Zarc Recycling in South San Francisco. Like other recyclers in California, we are struggling to breakeven with the downturn of the scrap prices of the CRV materials we are collecting and the continual increase in operating overhead (payroll, rent, utilities, insurance, etc). We are one of 3 redemption centers that are still open in the entire San Mateo county area. We are hoping there will be relief from the state with regards to increasing admin fees for handlers and processors and allow for non-convenience zone handlers to apply for convenience zone fees for underserved areas. These two changes alone will help tremendously in keeping us afloat going forward. Thanks in advance for your consideration in this matter.

David Slagle

Rural Northern California consumers are experiencing a recycling crisis. Our company has been providing CRV recycling services for Del Norte County for the last three years. The ability for some of our low- and fixed-income customers to bring in their bottles and cans is an important cash resource for them. While we continue to profitably provide those services, we are concerned about our future based on current issues forcing many recycling centers out of business. The biggest problem has been the collapse of scrap prices. The 2020 aluminum scrap price was 38% of what we received in 2018. At one point in 2020 our PET 1 (common plastic bottles) scrap value this year was zero. Cal Recycle processing fees for PET 1 went up a slightly helpful 4%, there is no processing fee for aluminum to adjust for market swings. Our center is currently servicing clients from Mendocino and Humboldt counties. A regular customer travels from Laytonville to Crescent City (195 miles) to recycle and redeem her material. We are receiving approximately 250% more material than pre-pandemic levels due to CRV buy back center closures. This increased volume has been beneficial to us as the increased volume has helped with our reduced profit margin. I would like to suggest several rather simple measures that would immediately improve the CRV program for rural recycling centers. • Index aluminum scrap receipts to 2018 levels by adding a processing fee for aluminum from the large reserves held by Cal Recycle due to the inability of consumers to redeem their CRV products. • Encourage and provide an avenue for grocers, dealers, and recyclers to work together receiving CRV, handling, processing, and administrative fees to provide consumers with recycling services. • Allow Cal Recycle to make minor changes in a timely fashion to operating procedures to allow recyclers and consumers the opportunity develop alternative locations, procedures, and operating hours. These basic measures could be the framework for a more comprehensive long-term solution to the CRV problem. Thank you for your consideration. David Slagle President, Hambro Recycling

Kiya Villarreal

Our area will greatly benefit from reopening with appointments and allocation of funds to recertify the redemption sites. Thank you for understanding the urgency. I am very grateful. It benefits so many areas in our community; the grocers, the Redemption sites, the low-income households looking for income streams, any residents paying CRV etc... Thank you again so much.

Liza Tucker

What should be the top reforms made by the legislature to the bottle bill in your view?

Eric Winter

Following up on Mr. Lipper's comments on the CRV program and convenience. Why doesn't California get behind Bag Drop recycling programs for CRV materials? "Bag Drop" (in Maine, NY, Oregon) has proven to be an effective way to increase convenience for consumers in a way that grocers can support. If you take the recycling out of the store via "bag drop" it can be win-win. Can California get behind retail take back if grocers can?

Bruce Magnani 1

The APR will be happy to bring data on our presentation to clarify and support facts presented to the Commission. We disagree with Ms. Dell.

Erika Daley

PreZero US currently buys and is expanding facilities to increase 3-7 buying for processing here in the US (California and SC). We recover PP and PE separately from those.

Bruce Magnani 2

We believe Mr. Davis is accurately describing the situation and the APR will bring the best data possible and California focused, but markets are not confined to the State of California. Having both national, and state data is important. Thank you.