

REQUEST FOR ACTION

To: Zoe Heller
Director

From: Michelle Martin
Deputy Director, Division of Circular Economy

Request Date: July 8, 2025

Decision Subject: Consideration of Circular CRV Association's Dealer Cooperative Stewardship Plan

Action By: July 28, 2025

Summary of Request

Circular CRV Association submitted its *Dealer Cooperative Stewardship Plan* to the California Department of Resources Recycling and Recovery (CalRecycle) on April 28, 2025. This Request for Action presents a summary of CalRecycle's analysis regarding Circular CRV Association's *Dealer Cooperative Stewardship Plan*.

Background

Circular CRV Association submitted its *Dealer Cooperative Stewardship Plan (Plan)* on April 28, 2025, pursuant to Public Resources Code (PRC) section 14578.5(c)(1) and Title 14 of the California Code of Regulations (14 CCR) section 2375. On May 27, 2025, CalRecycle notified Circular CRV Association that additional information was necessary to corroborate or clarify the information provided in the April 28, 2025 *Plan* pursuant to 14 CCR section 2376(a). On June 6, 2025, Circular CRV Association submitted additional information and an updated stewardship plan with additional information incorporated. On June 13, 2025, CalRecycle notified Circular CRV Association that additional information was necessary to corroborate or clarify the information provided in the June 6, 2025 updated *Plan* pursuant to 14 CCR section 2376(a). On June 17, 2025, Circular CRV Association submitted additional information and another updated stewardship plan with additional information incorporated. Pursuant to 14 CCR section 2376(b), CalRecycle must approve or disapprove the *Plan* within 90 calendar days of receipt of the initial *Plan* (by July 28, 2025).

Staff Analysis

CalRecycle evaluated Circular CRV Association's *Dealer Cooperative Stewardship Plan*, including the additional information provided on June 6 and June 17, 2025, to determine whether the requirements of statute and regulations were met. The sections below summarize CalRecycle's analysis pursuant to 14 CCR section 2376 of the *Plan*'s adherence to the statutory and regulatory requirements applicable to stewardship plan contents.¹

¹ Dealer cooperatives and all entities participating in the implementation of the dealer cooperative's stewardship plan must comply with all applicable laws in addition to the plan requirements. This includes, but is not limited to, applicable provisions of the California Beverage Container Recycling and Litter

Informational Contents (14 CCR section 2375.2)

Requirements: Include the dealer cooperative's federal tax identification number; contact information for the individuals responsible for overseeing the stewardship plan; decision-makers; verification of current tax-exempt status; articles of incorporation; dealer members and registration numbers; unserved convenience zones in which the dealer cooperative will provide redemption; processors and recycling centers to which material will be shipped and their certification numbers; known redemption sites; and a timeline for the stewardship plan becoming fully operational.

Analysis: Requirements met.

The *Plan* includes Circular CRV Association's federal tax identification number, verification of current exemption from taxation under section 501(c)(3) of the federal Internal Revenue Code of 1986, contact information for the individual responsible for overseeing the *Plan*, board of directors, and articles of incorporation. Circular CRV Association also provided its list of 234 dealer members across the state and their registration numbers, a list of processors and recycling centers to which material will be shipped and their certification numbers, and a list of redemption sites known at the time of *Plan* submission. The *Plan* includes the convenience zone numbers for each redemption site and the convenience zone status of each dealer member. As part of the *Plan*, redemption contractors will ship material on behalf of the dealer cooperative to certified recycling centers and processors located outside of the dealer cooperative's unserved convenience zones.

Additionally, Circular CRV Association provided a timeline for the *Plan* becoming fully operational within 18 months of approval. The timeline identifies that Circular CRV Association will complete its first phase of program implementation within 90 days of *Plan* approval to provide redemption opportunities in unserved convenience zones where its dealer members operate. Circular CRV Association anticipates beginning quarterly reporting to CalRecycle after the first phase of implementation. The *Plan* estimates that all program elements, including deployment of various innovative methods of redemption, will be fully operational no more than 18 months after *Plan* approval.

Substantive Contents (14 CCR section 2375.4)

Requirements: Include the methods of redemption; an education and outreach program that includes activities to promote awareness, materials in multiple languages, and a website with redemption site information; a dispute resolution process; opportunities for community input; how consumer convenience factors will be addressed; and how all material types will be redeemed, including ensuring redemption capacity equal to 100% of beverage containers sold by dealer members, providing consumer convenience as defined in 14 CCR section 2370(e); and ensuring at least one redemption site in each unserved zone redeems all material types with immediate payment and redeems up to established daily load limits.

Analysis: Requirements met.

The *Plan* identifies the redemption methods that Circular CRV Association will utilize including mobile redemption units, kiosks, single-feed and bulk-feed Reverse Vending Machines (RVMs), bag-drop, and recycling depots which will host two bulk-feed RVMs, a bag-drop station, and a kiosk. Circular CRV Association specified that it will rely heavily on mobile redemption during its first year of operation following *Plan* approval to provide redemption opportunities and phase in other redemption methods over time.

Circular CRV Association describes the education and outreach program it will utilize to promote program awareness. Outreach mechanisms include signage for dealers and redemption sites, social media, community events, and printed materials in multiple languages with a QR code that links to Circular CRV Association's website for additional information. Circular CRV Association's website will host a searchable directory listing the redemption site locations, materials accepted, relevant telephone numbers, and hours of operation for each site. The *Plan* identifies a toll-free phone number that consumers can call to obtain information about redemption opportunities, which will include Spanish translation and functionality for hearing or speech impaired individuals.

Additionally, the *Plan* describes a dispute resolution process to resolve issues of non-payment, under-payment, or redemption contractor performance. Circular CRV Association describes how consumers may file complaints through its toll-free telephone number or Customer Feedback form on its website. All complainants will receive an email confirming receipt of their complaint and information regarding the investigation and resolution of the complaint. The *Plan* also describes how Circular CRV Association will provide opportunities for community input via its toll-free telephone number, online Customer Feedback form, and surveys. Circular CRV Association will address factors that affect consumer convenience through standardized best practices for safety, cleanliness, and site layout, ensuring parking and public transit access, and community input.

Circular CRV Association commits to redeem all beverage container material types within each unserved convenience zone it operates through most redemption methods including kiosks, mobile recycling, bag drop systems, and recycling depots. Additionally, the *Plan* demonstrates how the redemption capacity was calculated for each redemption method and the total capacity of all methods equal to approximately 116% of the total annual beverage containers sold by dealer members.

Furthermore, the *Plan* describes providing consumer convenience, as defined by 14 CCR section 2370(e), including committing to provide redemption sites that accept all materials types up to the daily limits and operate for the required times and durations. Circular CRV Association commits to establish at least one redemption location in each unserved convenience zone that provides immediate payment of the refund value for a minimum of 10 hours per week, including at least 5 hours on Saturday or Sunday between 9 a.m. and 5 p.m. and up to the daily redemption limits as specified in 14 CCR section 2535(f)(6).

Performance Standards (14 CCR section 2375.6)

Requirements: Include performance standards, how performance standards will be achieved, and how quarterly achievement will be measured for the following: geographic spread of redemption sites; redemption capacity equal to at least 100% of the beverage containers sold by dealer members; redemption of at least 80% of beverage containers sold by dealer members; and average wait time for consumers.

Analysis: Requirements met.

Circular CRV Association identifies all required performance standards, describes how it will achieve the performance standards, and how achievement will be measured on a quarterly basis. The *Plan* identifies that the performance standard for geographic spread of redemption sites will be to provide at least one redemption site in each unserved convenience zone in which dealer members operate within a one-mile to one-and-a-half-mile radius of dealer members. Circular CRV Association will ensure that each site serves at least 80% of the population within a one-mile or one-and-a-half-mile radius of a dealer member. To achieve the geographic spread performance standard, Circular CRV Association will use mapping tools and census tract data and resources to identify optimally convenient redemption site locations. Quarterly reports will list dealer members that host and do not host redemption sites, the number and types of redemption methods at each site and within each unserved convenience zone, and the distance to the nearest redemption site within the unserved zone from dealer members that do not host redemption sites.

The *Plan* will deploy redemption services capable of redeeming an estimated 1.65 billion beverage containers annually, which is equal to approximately 116% capacity of the 1.42 billion beverage containers sold by dealer members into all unserved convenience zones where Circular CRV Association will operate. Circular CRV Association will achieve the 100% minimum redemption capacity performance standard by ensuring 98% equipment operable time. The capacity of each redemption location and number of CRV beverage containers sold by each dealer member will be measured and reported on a quarterly basis to demonstrate that Circular CRV Association maintains a minimum 100% redemption capacity in each zone.

Additionally, Circular CRV Association commits to achieve a redemption rate equal to 80% of the beverage containers sold by its dealer members in unserved convenience zones. Circular CRV Association will use high-capacity redemption methods such as bulk-feed RVMs, bag drop stations, recycling depots, as well as targeted outreach and consumer awareness activities to achieve this performance standard. To measure the redemption rate and ensure compliance, Circular CRV Association will conduct regular site visits at all redemption sites to troubleshoot equipment malfunctions, optimize site layout, identify opportunities to increase community awareness, and maximize container intake. Quarterly reports will provide data on the number of CRV units redeemed, the number of CRV units sold, and the comparison of these measurements for each unserved convenience zone.

Circular CRV Association establishes its average wait time performance standard as between 5 to 10 minutes based on surveys and the Regents University of California 2018 study. The *Plan* describes how Circular CRV Association will achieve this wait time by using standardized best practices for its redemption operators and supplemental efforts based on consumer feedback. Average wait time will be measured through monitoring using routine redemption site visits and consumer feedback. Quarterly reports will include the total average wait times observed at redemption sites, relevant consumer feedback, and an analysis of sites that exceed the 10-minute average wait time. Circular CRV Association commits to providing operational improvements and resource adjustments to reduce wait times for redemption sites that exceed the 10-minute average wait time.

Budget (14 CCR section 2375.8)

Requirements: Include the dealer cooperative's budget and how stewardship fees assessed on dealer members support that budget, including itemized costs and purpose for the applicable categories in 14 CCR section 2381(c)(6) for the first four quarters of operation; and the funding level, reserves, deficits covered, and how deficits and surpluses will be addressed.

Analysis: Requirements met.

The *Plan* includes a budget that lists the anticipated costs to cover the program's implementation for the first four quarters of operation from January 2025, through June 2026. The budget specifies the anticipated costs and purpose for the following applicable categories: administrative costs, professional services, education and outreach, technology and equipment, partnerships, operational costs, and reserve.

Circular CRV Association identifies an initial reserve of \$500,000 for the first year and describes how it will address deficits using budget adjustments, cost reductions, additional funding mechanisms, and supplemental membership fees. The *Plan* also describes that any surplus funds will be reinvested into program enhancements, such as website improvements, hiring additional staff, or expanding community engagement programs.

Recordkeeping (14 CCR section 2380(f)(1))

Requirements: Must provide immediate access to any original record at the redemption site or other location identified in the stewardship plan.

Analysis: Requirements met.

Circular CRV Association commits to providing immediate access to original CRV redemption transaction records at its redemption sites and non-original records at two locations specified in the *Plan*.

Feedback from Interested Parties

CalRecycle solicited public comments on Circular CRV Association's *Dealer Cooperative Stewardship Plan* from April 28, 2025, through May 13, 2025. CalRecycle received 11 comment letters from the following organizations: Ming's Recycling, CLYNK, Ponce Recycling, North State Grocery, Inc., TOMRA, Our Planet Recycling,

San Francisco Environmental Department (submitted two letters), Sunset Recycling, California Grocers Association, and Container Recycling Institute. CalRecycle considered all comments received during the review of Circular CRV Association's *Plan*.

Staff Analysis Conclusion

Based on the information in Circular CRV Association's *Dealer Cooperative Stewardship Plan*, staff concluded that the *Plan* complies with the statutory and regulatory requirements.

Action

Pursuant to PRC section 14578(a)(2) and 14 CCR section 2376(b), I hereby:

- ☒ Approve Circular CRV Association's *Dealer Cooperative Stewardship Plan* and issue registration number DC00001.001.
- ☐ Disapprove Circular CRV Association's *Dealer Cooperative Stewardship Plan*.

Signed by:

Zoe Heller
Director

Dated: July 24, 2025

Attachments:

Documents listed below are posted to CalRecycle's website. To request other documents referenced in this Request for Action, the public may submit a [Public Records Act request](https://calrecycle.govqa.us/WEBAPP/rs/supporthome.aspx) (<https://calrecycle.govqa.us/WEBAPP/rs/supporthome.aspx>).

1. [Circular CRV Association's April 28, 2025 Dealer Cooperative Stewardship Plan](https://www2.calrecycle.ca.gov/PublicNotices/Documents/17683),
<https://www2.calrecycle.ca.gov/PublicNotices/Documents/17683>
2. [Additional Information Necessary Regarding Circular CRV Association's April 28, 2025 Stewardship Plan](https://www2.calrecycle.ca.gov/PublicNotices/Documents/17647),
<https://www2.calrecycle.ca.gov/PublicNotices/Documents/17647>
3. [Circular CRV Association's June 6, 2025 Additional Information](https://www2.calrecycle.ca.gov/PublicNotices/Documents/17611),
<https://www2.calrecycle.ca.gov/PublicNotices/Documents/17611>
4. [Circular CRV Association's June 6, 2025 Updated Dealer Cooperative Stewardship Plan](https://www2.calrecycle.ca.gov/PublicNotices/Documents/17612),
<https://www2.calrecycle.ca.gov/PublicNotices/Documents/17612>
5. [Additional Information Necessary Regarding Circular CRV Association's June 6, 2025 Updated Stewardship Plan](https://www2.calrecycle.ca.gov/PublicNotices/Documents/17648),
<https://www2.calrecycle.ca.gov/PublicNotices/Documents/17648>
6. [Circular CRV Association's June 17, 2025 Additional Information](https://www2.calrecycle.ca.gov/PublicNotices/Documents/17633),
<https://www2.calrecycle.ca.gov/PublicNotices/Documents/17633>

7. [Circular CRV Association's June 17, 2025 Updated *Dealer Cooperative Stewardship Plan*.](https://www2.calrecycle.ca.gov/PublicNotices/Documents/17684)
<https://www2.calrecycle.ca.gov/PublicNotices/Documents/17684>