



# **NEVADA LEGISLATURE LEGISLATIVE COMMISSION'S COMMITTEE TO STUDY THE DEPOSITS AND REFUNDS ON RECYCLED PRODUCTS**

**(Assembly Bill 427, Chapter 462, *Statutes of Nevada 2011*)**

## **SUMMARY MINUTES AND ACTION REPORT**

---

The third meeting of the Legislative Commission's Committee to Study the Deposits and Refunds on Recycled Products (Assembly Bill 427, Chapter 462, *Statutes of Nevada 2011*) was held on Tuesday, May 29, 2012, at 3 p.m. in Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. This meeting was videoconferenced to Room 3138 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([Exhibit A](#)) and other substantive exhibits, is available on the Nevada Legislature's website at <http://leg.state.nv.us/interim/76th2011/committee/>. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's (LCB's) Publications Office (e-mail: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775/684-6835).

### **COMMITTEE MEMBERS PRESENT IN LAS VEGAS:**

Assemblyman James Ohrenschall, Chair  
Senator Mark A. Manendo  
Assemblywoman April Mastroluca

### **COMMITTEE MEMBERS PRESENT IN CARSON CITY:**

Senator Don Gustavson  
Assemblyman Pete Livermore

### **COMMITTEE MEMBER ABSENT:**

Senator Ruben J. Kihuen

### **OTHER LEGISLATOR PRESENT:**

Senator Mo Denis

**LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:**

Michael J. Stewart, Chief Principal Research Analyst, Research Division  
Matthew S. Nichols, Principal Deputy Legislative Counsel, Legal Division  
Matt Mundy, Deputy Legislative Counsel, Legal Division  
Wayne Thorley, Program Analyst, Fiscal Analysis Division  
Natalie J. Pieretti, Senior Research Secretary, Research Division

## **OPENING REMARKS**

- Vice Chair Manendo called the meeting to order and noted that public copies of the handouts received prior to the meeting are available on the Nevada Legislature's Internet website with those received at the meeting being subsequently uploaded.

## **PUBLIC COMMENT**

- Vice Chair Manendo called for public comment; however, no testimony was presented.

## **OVERVIEW OF RECYCLING EFFORTS AND WASTE MANAGEMENT PRACTICES IN CARSON CITY, NEVADA**

- Darren L. Schulz, P.E., Deputy Public Works Director, Department of Public Works, Carson City, offered a Microsoft PowerPoint presentation on Carson City's history and current and future recycling efforts, and the history of the landfill. Mr. Schulz reported the landfill consists of 210 acres with a life span of 50 years. He remarked 60 percent of the city residents pay for curbside service at a cost of approximately \$40 per month. (Please see [Exhibit B.](#))

In response to a question from Assemblywoman Mastroluca, Mr. Schulz replied he did not have a percentage on the recycling participation of self-haulers.

Assemblyman Livermore commented on his trip to, and the organization of, the landfill.

Vice Chair Manendo noted his district's recycling efforts, and stated the possibility of a bill draft request (BDR) increasing fines for illegal dumping.

## **PRESENTATION BY RECOLOGY INC. REGARDING INNOVATIVE AND SUSTAINABLE SOLUTIONS TO INCREASE RECYCLING**

- James T. Endres, Executive Director, Government Affairs Group, McDonald, Carano, Wilson, LLP, briefly introduced presenters.
- Arthur P. Cimento, Chief Development Officer, Recology Inc., offered an overview of Recology Inc.
- Meghan Butler, Government Relations, Recology Inc., presented a Microsoft PowerPoint presentation on topics including: (1) Blue Bin: Closing the Loop; (2) California Global Warming Act of 2006; (3) California Waste Diversion Mandates; (4) Green Bin: Closing the Loop; (5) Meeting Goals with Ingenuity, including the Fantastic Three System; and (6) United States Recycling by the Numbers. (Please see [Exhibit C.](#))

Assemblywoman Mastroluca inquired of the residential cost for curbside waste collection service by Recology. Mr. Cimento stated a single rate of \$28 per month for three containers is charged per customer, with higher rates for multi-family and commercial businesses.

Responding to Assemblywoman Mastroluca's question regarding materials businesses are recycling, Mr. Cimento replied commercial recycling requires a blue card (all recyclables) and a green card (food scraps and yard trimmings).

- Meghan Butler, previously identified, added that mandatory commercial recycling for customers generating over four cubic yards a week begins July 1, 2012, throughout California.

Discussion ensued between Assemblyman Livermore and Mr. Cimento regarding the recycling process, including three streams of materials consisting of single stream; construction and demolition materials; and organics, which are taken to a compost site. Mr. Cimento commented Recology has been in discussions with Carson City officials regarding composting of construction and demolition materials and organic materials. Upon questioning by Assemblyman Livermore, Mr. Cimento stated landfill recycling rates in Carson City could be up to 90 percent if all programs and facilities were in place. He said, however, in discussions with Carson City officials regarding Recology facilities, recycling rates would be 40 percent with the opportunity to increase that number as the community is educated about the program. Continuing, he said contaminated, or mixed, material can be challenging and cost prohibitive to recycle.

In response to Assemblyman Livermore, Mr. Cimento remarked the capital investment for single stream recycling facilities in Carson City would be fairly minimal, under \$1 million dollars. He stated to build a materials recycling facility that consists of ramps would be a \$10 million to \$15 million investment depending on volume and cost of land.

## **BRIEF OVERVIEW OF THE OPERATIONS, PROGRAMS, AND OUTREACH EFFORTS OF THE CONTAINER RECYCLING INSTITUTE (CRI) AND DISCUSSION OF CONSIDERATIONS FOR POTENTIAL BEVERAGE CONTAINER DEPOSIT AND REFUND LEGISLATION FOR NEVADA**

- Susan V. Collins, President, CRI, Culver City, California, provided a brief overview of CRI and presented a Microsoft PowerPoint presentation that included topics relating to: (1) Compatibility with Single Stream Curbside; (2) Different Models of Container Deposit-Refund (Operational and Financial); (3) Economics of Container Deposit-Refund; (4) Impact on Municipalities; (5) Overview of Container Deposit-Refund in North America; (6) Recycling Economics; and (7) Where Beverage Containers are Generated. (Please see [Exhibit D](#), [Exhibit D-1](#), and [Exhibit D-2](#).)

There was discussion between Chair Ohrenschall and Ms. Collins regarding curbside recycling in container deposit law (CDL) states for multi-family units. Ms. Collins reported a reluctance by landlords to implement multi-family recycling, but after including recycling in ordinances and contracts over time, California law was implemented requiring multi-family recycling.

Responding to Chair Ohrenschall's question, Ms. Collins stated pay-as-you-throw is always recommended when it comes to waste management and recycling. Ms. Collins remarked recycling in states that have CDLs and curbside recycling correlate well together.

- Ms. Collins' testimony continued on the topics of Quality of Materials from Single Stream and Jobs. (See [Exhibit D](#).)

Chair Ohrenschall inquired whether Ms. Collins thought all states should have a CDL. Ms. Collins opined the importance of looking at borders and population. As an example, she reported Hawaii, which has no borders, has a 76 percent recycling rate and California an 82 percent rate.

Chair Ohrenschall remarked there is a concern about addressing food stamp fraud. Ms. Collins said there is not enough widespread concern for the states that she has worked with to address it.

In response to Chair Ohrenschall's question regarding trash collection costs in CDL versus non-CDL states, Ms. Collins replied, based on the information presented, materials would be removed from the waste stream, which should result in less cost. She stated factors such as route density, number of yards between stops, and the amount of individual residential waste produced are considered in imposing waste collection rates, and for her to compare collection costs between CDL and non-CDL states would be an interesting and lengthy study.

Discussion ensued between Assemblywoman Mastroluca and Ms. Collins regarding deposits received by trash haulers from the curbside program. Ms. Collins explained under California law, the deposit is forfeited once the aluminum material is placed in the curbside bin, and the program receives the 5-cent deposit.

Responding to Assemblywoman Mastroluca, Ms. Collins said the goal is not profitability; however, after a surplus in the fund, consumers in California paid a 4-cent deposit, but received a 5-cent refund for a 6-month period in order to reduce the surplus.

Assemblywoman Mastroluca asked if a chart exists showing the redemption rates since inception, and Ms. Collins replied she would provide it to the Committee.

There was discussion between Chair Ohrenschall and Ms. Collins regarding the use of reverse vending machines by states.

In response to questioning by Chair Ohrenschall, Ms. Collins stated refunds of forfeited deposits to trash haulers is unique to California. She reported on a program in Canada called the "Half Back Program" designed specifically to fund curbside recycling with consumers paying a 10-cent deposit, but receiving only a 5-cent refund with the remaining 5 cents going toward the program.

Upon the request of Vice Chair Manendo, Ms. Collins discussed creation of 700 jobs, with a vast majority of those being in Nevada and most of the work in the areas of collection and processing.

Assemblyman Livermore queried how a CDL program that generates \$10 million in revenue is supported when all funds are paid out in refunds. Ms. Collins replied that should be carefully considered when drafting a law. She noted both California and Hawaii have a mechanism to prepare for 100 percent recycling. Ms. Collins reported in California the beverage manufacturers would pay for the costs of recycling in excess of the scrap value. In Hawaii, she specified the state charges a 6-cent deposit with the ability to charge a higher amount, but only refunds 5 cents.

Continuing discussion was held between Assemblyman Livermore and Ms. Collins regarding deposits, possible exemptions from deposits, and information regarding principals in, and details about, Ms. Collins' firm.

Chair Ohrenschall commented he views no recycling bins in public and asked if states with CDLs have a better infrastructure for public recycling. Ms. Collins responded that some CDL states have a better infrastructure than others, and in California, recycling bins are prevalent.

In response to Chair Ohrenschall's question, Ms. Collins stated there are ten states with CDL laws, plus Guam, which represents 30 to 35 percent of the entire United States population that have a CDL.

## **DISCUSSION OF BEVERAGE CONTAINER REDEMPTION PRACTICES IN PAHRUMP, NEVADA, AND SUGGESTIONS FOR POTENTIAL CONTAINER REDEMPTION LEGISLATION IN NEVADA**

- Terrie Dickerson, Owner, Going Green Eyes, Pahrump, Nevada, presented an overview of her business and provided information regarding redemption funds, collections, and disbursements. (Please see [Exhibit E](#).)

Responding to Chair Ohrenschall's question whether a program works in rural Nevada, Ms. Dickerson replied consumers are traveling from Beatty to recycle at her reverse vending machines.

Discussion ensued between Chair Ohrenschall and Ms. Dickerson regarding the operation of her business, reverse vending machines, and potential job creation. Ms. Dickerson stated she pays rent on the reverse vending machines.

In response to Senator Gustavson, Ms. Dickerson said she makes a small profit; however, she recycles to help the community, churches, and clubs.

There was discussion between Chair Ohrenschall and Ms. Dickerson regarding new recyclers; recycling plastic bottles; profitability of a CDL in Nevada; and unemployment in Nye County.

## **REVIEW OF THE OPERATIONS AND ACTIVITIES OF LOCAL AND REGIONAL RECYCLING OPERATORS IN SOUTHERN NEVADA AND CONSIDERATION OF POTENTIAL IMPACTS OF BEVERAGE CONTAINER DEPOSIT AND REFUND LEGISLATION ON THE RECYCLING INDUSTRY**

- Cliff Vellinga, Controller, Silver Dollar Recycling, Inc., testified since the California law went into effect, the volume of aluminum recycled at the Clark County facility has reduced at a steady rate. He attributed this reduction, from 75,000 to 80,000 pounds per month down to the current level of 30,000 to 35,000 pounds per month to consumers exporting recycling to California. Mr. Vellinga spoke in favor of CDL.

There was discussion between Chair Ohrenschall and Mr. Vellinga regarding purchasing curbside recyclables from consumers. Mr. Vellinga acknowledged a profit with plastic bottles. Chair Ohrenschall asked Mr. Vellinga if a CDL was adopted in Nevada, could he envision difficulties with refunds. Mr. Vellinga said he is hopeful the State would make the administration of refunds such that it would be easily handled through current computer programs, although he would anticipate an increase in clerical assistance.

Responding to Assemblywoman Mastroluca's question, Mr. Vellinga remarked single stream recycling would not adversely affect Silver Dollar's business.

Vice Chair Manendo inquired of the price of plastic, and Mr. Vellinga replied it is 6 cents per pound, but it can vary depending on the type of plastic.

In response to Vice Chair Manendo, Mr. Vellinga stated Silver Dollar employs 30 individuals at their facility; however, if CDL is passed, he sees only a nominal increase in employees, unless collection facilities are required.

- Norberto Madrigal, Treasurer, Lunas Construction Clean-Up, Las Vegas, presented a video for the Committee's viewing. (<http://youtu.be/OLrJkq9oLBw>)

Mr. Madrigal testified in support of CDL and reported his business employs over 100 employees. He stated he sees an increase of 20 percent sustainable jobs with the passage of a CDL. He praised the testimony of Ms. Collins.

Discussion ensued between Chair Ohrenschall and Mr. Madrigal regarding legislation mandating recycling on construction sites. Mr. Madrigal stated construction companies will contact Lunas if they are a lead project, otherwise there is no incentive. He said Lunas is competitive with those not recycling due to extra income from recyclables and diversion from landfill usage.

Responding to Chair Ohrenschall on how CDL would affect his business, Mr. Madrigal replied it would be in a positive way. Further, Chair Ohrenschall asked how single stream would affect Lunas' business. Mr. Madrigal replied Lunas does not collect curbside waste and, therefore, his business would not be affected in any way.

Vice Chair Manendo remarked he has requested the Research Division to provide information on whether construction sites are mandated to recycle. He asked if there were a mandate on construction sites recycling, how would that affect Lunas Construction. Mr. Madrigal stated the affect would be tremendous and staff would double, if not triple.

Responding to Assemblyman Livermore, Mr. Madrigal replied his company does not have an exclusive contract in Las Vegas, that there are a minimum of ten companies that haul construction waste, and that he would not have an issue paying a franchise fee for exclusivity. He stated that Lunas Construction is the only company of its kind with a materials recycling facility in the Las Vegas area.

Discussion ensued between Assemblyman Livermore and Mr. Madrigal regarding fair competition to retailers if deposits support his business.

In response to Assemblyman Livermore's question regarding the issue of fair competition, Mr. Vellinga stated there is an unfair advantage because recycling facilities pay more than a company like Republic Services, Inc., who has a franchise that supports their operation and is not subject to the same costs.

Responding to Chair Ohrenschall, Mr. Vellinga replied if CDL were imposed, his business would expand its operations. Mr. Madrigal added his support for a CDL, as it would help expand his business.

#### **OVERVIEW OF RECYCLING EFFORTS, WASTE MANAGEMENT PRACTICES, AND RELATED PROGRAMS OFFERED BY SA RECYCLING AND CONSIDERATIONS RELATING TO POTENTIAL RECYCLED PRODUCTS DEPOSIT AND REFUND LEGISLATION**

- Warren B. Hardy II, The Hardy Consulting Group, LLC, presented a brief overview of SA Recycling and offered a tour of the facility for any interested member.
- Robin Robinson, Director of Compliance, SA Recycling, Orange, California, testified his company handles 200,000 tons of recycled metal per month, or 2.2 million tons per year. He reported SA's five Las Vegas facilities employ 180 employees, and the company would seek additional sites to service customers if a CDL is imposed. Mr. Robinson remarked up to 15 percent of the cans brought for recycling in California come from out-of-state. He stated in the early 1990s, the auto shredder in Las Vegas handled 50,000 pounds per month of aluminum cans; it's now down to 5,000 pounds per month.

Discussion ensued among Assemblywoman Mastroluca, Mr. Robinson, and Mr. Hardy regarding the issue of fraud and the process in California.

Chair Ohrenschall asked Mr. Robinson if the amount of California recycling is due to the CDL, and whether his business is more profitable due to the CDL.



Mr. Robinson replied the CDL encourages recycling because it gives consumers an incentive, and as a processor, it does increase business.

In response to Chair Ohrenschall, Mr. Robinson said he foresees an upside to a CDL. Chair Ohrenschall queried the effects of single stream recycling to Mr. Robinson's business. Mr. Robinson responded less recycling would take place with the aluminum going to California.

There was discussion between Chair Ohrenschall and Mr. Robinson concerning business expansion if a CDL is imposed. Mr. Robinson stated SA has the only auto shredding facility in Las Vegas. Mr. Hardy renewed his offer of a tour. Mr. Robinson remarked SA has over 50 facilities in California.

Responding to Assemblyman Livermore, Mr. Robinson replied fraud has been present since fees have been imposed in California. Assemblyman Livermore asked if the fraud would just be shifted from California to Nevada if a CDL were imposed. Mr. Robinson responded in the negative, and remarked additional jobs would be created in Nevada.

Discussion continued between Assemblyman Livermore and Mr. Robinson regarding the issue of fraud and pending fraud legislation in California. Chair Ohrenschall said any pending legislation adopted would have safeguards in preventing fraud.

#### **SOLICITATION AND COMMITTEE DISCUSSION OF POSSIBLE RECOMMENDATIONS REGARDING RECYCLING AND THE DEPOSITS AND REFUNDS OF RECYCLED PRODUCTS IN ADVANCE OF THE JUNE 26, 2012, COMMITTEE MEETING AND WORK SESSION**

- Chair Ohrenschall informed the Committee the next meeting scheduled for June 26, 2012, is the work session. He stated recommendations for possible BDRs are due to Michael J. Stewart by June 8, 2012, at 5:00 p.m. Chair Ohrenschall offered the Committee members an opportunity to address possible BDR recommendations; however, none was forthcoming at this time. (Please see [Exhibit F](#).)

#### **APPROVAL OF THE MINUTES OF THE MEETING HELD ON APRIL 3, 2012, IN LAS VEGAS, NEVADA**

(As directed by Vice Chair Manendo, this agenda item was postponed until Chair Ohrenschall's arrival.)

- The Committee **APPROVED THE FOLLOWING ACTION:**

VICE CHAIR MANENDO MOVED TO APPROVE THE MINUTES OF THE MEETING HELD APRIL 3, 2012, IN LAS VEGAS, NEVADA. THE MOTION WAS SECONDED BY ASSEMBLYWOMAN MASTROLUCA AND PASSED UNANIMOUSLY

## **DISCUSSION OF FUTURE MEETING SCHEDULE AND DIRECTIONS TO COMMITTEE STAFF**

- Chair Ohrenschall stated the future meeting had been previously addressed and there was no further discussion.

## **PUBLIC COMMENT**

- Chair Ohrenschall called for public comment; however, no testimony was presented.

## **ADJOURNMENT**

There being no further business to come before the Committee, the meeting was adjourned at 6:36 p.m.

Respectfully submitted,

---

Natalie J. Pieretti  
Senior Research Secretary

---

Michael J. Stewart  
Chief Principal Research Analyst

APPROVED BY:

---

Assemblyman James Ohrenschall, Chair

Date: \_\_\_\_\_

## LIST OF EXHIBITS

[Exhibit A](#) is the “Meeting Notice and Agenda” provided by Michael J. Stewart, Chief Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB), Carson City.

[Exhibit B](#) is a Microsoft PowerPoint presentation titled “Carson City – Overview of Landfill and Recycling,” given by Darren L. Schulz, P.E., Deputy Public Works Director, Department of Public Works, Carson City.

[Exhibit C](#) is a Microsoft PowerPoint presentation titled “Innovative and Sustainable Solutions to Increase Recycling,” given by Meghan Butler, Government Relations, Recology Inc.

[Exhibit D](#) is a Microsoft PowerPoint presentation titled “Beverage Container Recycling,” given by Susan V. Collins, President, Container Recycling Institute (CRI), Culver City, California.

[Exhibit D-1](#) is a fact sheet titled “California’s Beverage Container Recycling & Litter Reduction Program,” submitted by Susan V. Collins, President, CRI.

[Exhibit D-2](#) is a document titled “Resource Recycling – A Common Theme,” submitted by Susan V. Collins, President, CRI.

[Exhibit E](#) is a document titled “Redemption Funds Collections & Disbursements,” provided by Terrie Dickerson, Owner, Going Green Eyes, Pahrump.

[Exhibit F](#) is a memorandum dated May 23, 2012, to “All Interested Parties,” from Assemblyman James Ohrenschall, Chair, Legislative Commission’s Committee to Study the Deposits and Refunds on Recycled Products, titled “Solicitation of Recommendations for Possible Consideration by the Legislative Commission’s Committee to Study the Deposits and Refunds on Recycled Products.”

This set of “Summary Minutes and Action Report” is supplied as an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits, other materials distributed at the meeting, and the audio record are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library online at [www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm](http://www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm) or telephone: 775/684-6827.