



MODEL DEALER COOPERATIVE STEWARDSHIP PLAN

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¹ The titles in the table of contents and throughout this document are provided only for convenience and do not have legal effect.

Introduction

Pursuant to [Public Resources Code \(PRC\) section 14578.5\(a\)](#), the California Department of Resources Recycling and Recovery (CalRecycle) may provide one or more model dealer cooperative redemption plans for dealer cooperatives to adopt to comply with PRC section 14578(a)(2) and section 14578.5. This model dealer cooperative redemption plan (stewardship plan) includes statutory and regulatory requirements that dealer cooperative stewardship plans must address. This model stewardship plan is not intended as a comprehensive list of all applicable legal requirements. It is provided for reference only and may not reflect recent changes in statutes and regulations. Use of this model stewardship plan is voluntary.

[Title 14, California Code of Regulations \(14 CCR\), division 2, chapter 5](#), sections 2375, 2375.2, 2375.4, 2375.6, and 2375.8 outline the dealer cooperative stewardship plan submission process, informational and substantive contents, performance standards, and budget requirements.

For definitions and other requirements pertaining to dealer cooperatives, please refer to 14 CCR sections 2370, 2376, 2377, 2378, 2380, 2381, 2382, 2385, and 2386.

Statutory Stewardship Plan Requirements

Pursuant to PRC section 14578(a)(2), dealers in unserved convenience zones have the option to form or join a dealer cooperative to provide a dealer cooperative stewardship plan to CalRecycle for approval. A dealer cooperative must fully implement its approved plan and provide redemption opportunities consistent with PRC section 14578.5(c) and implementing regulations for the dealer cooperative's dealer members in that convenience zone to be in compliance with PRC section 14578(a).

Below are select statutory excerpts regarding dealer cooperative stewardship plan requirements.

Dealer Cooperative Stewardship Plan Requirements

PRC section 14578.5(c)

"A dealer cooperative shall do all of the following:"

1. Submit a Plan

PRC section 14578.5(c)(1)

"Submit a redemption plan to the department to provide redemption in one or more unserved convenience zones. Redemption programs shall include sufficient redemption opportunities for consumers that have comparable consumer convenience to the requirements of Section 14571 and include, but are not limited to, pilot projects described in Section 14571.9."

2. Assess Dealer Fees

PRC section 14578.5(c)(2)

"Assess fees on the dealers in the zone or zones covered by the redemption plan necessary to cover operational costs and implementation of the approved plan."

3. Redeem All Material Types and Offer Redemption Locations

PRC section 14578.5(c)(3)

(A) "Redeem all material types and offer one or more redemption locations within the dealer cooperative zone.

(B) The dealer cooperative may contract to provide the redemption opportunities approved in the plan."

4. Fully Implement the Approved Plan

PRC section 14578.5(c)(4)

"Be operational and fully implement the approved redemption plan."

Regulatory Stewardship Plan Requirements

CalRecycle adopted regulations to implement, interpret, and make specific statutory requirements related to dealer cooperative stewardship plans. Stewardship plans must be submitted according to the requirements in 14 CCR, section 2375, and contain the information identified in 14 CCR sections 2375.2, 2375.4, 2375.6, and 2375.8.

CalRecycle's plan review process is specified in 14 CCR section 2376. Additionally, information regarding the process for dealer cooperatives to update and change plan information can be found in 14 CCR sections 2377 and 2378.

Below are select regulatory excerpts regarding dealer cooperative stewardship plan requirements.

Informational Contents

14 CCR section 2375.2

"The stewardship plan shall include all of the following information:"

1. Federal Tax Identification Number

Section 2375.2(a)

- (1) "The dealer cooperative's federal tax identification number, also known as an employer identification number (EIN).
- (2) A dealer cooperative may redact the dealer cooperative's federal tax identification number, also known as an employer identification number (EIN), when posting a stewardship plan on an internet website identified in its stewardship plan."

2. Contact Information

Section 2375.2(b)

"Contact information for the individual(s) responsible for submitting and overseeing the stewardship plan on behalf of the dealer cooperative. The contact information shall include, at a minimum, all of the following:

- (1) Contact name.
- (2) Title.
- (3) Name of dealer cooperative.
- (4) Mailing address.
- (5) Phone number.
- (6) E-mail address."

3. Decision-Makers

Section 2375.2(c)

“Names and titles for any person who will make decisions on behalf of the dealer cooperative, including, but not limited to, each member of the dealer cooperative’s board of directors.”

4. 501(c)(3) Nonprofit Verification

Section 2375.2(d)

“Verification of current exemption from taxation under section 501(c)(3) of the federal Internal Revenue Code of 1986.”

5. Articles of Incorporation

Section 2375.2(e)

“The articles of incorporation most recently filed with the California Secretary of State, or the equivalent formation documents filed in the dealer cooperative’s state of formation, as a nonprofit corporation.”

6. Dealer Members

Section 2375.2(f)

“A list of all dealer members in the dealer cooperative, including each dealer’s registration number issued pursuant to section 2371.”

7. Unserved Convenience Zones

Section 2375.2(g)

“A list of unserved convenience zones in which the dealer cooperative will provide redemption.”

8. Processors and Recycling Centers

Section 2375.2(h)

“A list of processors and recycling centers, including the certification numbers of the processors and recycling centers, to which the dealer cooperative will ship beverage containers.”

9. Redemption Sites

Section 2375.2(i)

“A list of redemption sites known at the time of submission.”

10. Fully Operational Timeline

Section 2375.2(j)

“A timeline for the stewardship plan becoming fully operational once the stewardship plan is approved by the department.”

Substantive Contents

14 CCR section 2375.4

“The stewardship plan shall include descriptions of all of the following:”

11. Methods of Redemption

Section 2375.4(a)

“Each method of redemption offered by the dealer cooperative.”

12. Education and Outreach

Section 2375.4(b)

“An education and outreach program that includes, at a minimum, all of the following:

(1) Activities to promote awareness and maximize consumer and dealer participation in the stewardship program, including, but not limited to, providing educational and outreach materials to persons selling and purchasing beverages in beverage containers in the area covered by a dealer cooperative's stewardship plan.

(2) Materials to be utilized that are distributed in languages suited to the area covered by a dealer cooperative's stewardship plan, including a list of the languages. At a minimum, materials shall be translated into each language that 5 percent or more of the non-English speaking people speak in each census tract in which the unserved convenience zone is located. The materials shall include the following:

(A) Printed materials, including, but not limited to, public outreach materials and signage for dealer or redemption sites. The signage for a redemption site shall include, at a minimum, days and hours of operation. The signage for each dealer member shall include, at a minimum, either of the following posted at the front of the dealer member's retail location: days and hours of operation of the nearest redemption site or the internet website specified in subparagraph (B).

(B) The inclusion of all of the following on an internet website with functionality for mobile platforms and maintained to ensure all information is up to date and accurate:

(i) Redemption site addresses and the material types redeemed at each address.

(ii) Redemption site contact telephone numbers.

(iii) Redemption site days and hours of operation.

(C) In addition to subparagraphs (A) and (B), non-printed materials may be used, such as a toll-free telephone number to provide redemption

options and other program information. If a toll-free telephone number is to be used, it shall provide services for hearing-impaired and speech-impaired individuals.”

13. Dispute Resolution

Section 2375.4(c)

“A dispute resolution process for consumers in the event of non-payment or underpayment by the redemption contractor and a method to receive and resolve written complaints about the operation of the stewardship program from consumers, the public, or any other source.”

14. Community Input

Section 2375.4(d)

“Opportunities for community input regarding collecting empty beverage containers in areas and communities that face unique challenges associated with empty beverage container redemption, such as poverty, language barriers, and littering of empty beverage containers.”

15. Consumer Convenience

Section 2375.4(e)

“How the dealer cooperative will address factors that affect consumer convenience, such as safety and cleanliness of the redemption location, parking availability, and accessibility via public transportation or walking.”

16. Beverage Container Redemption

Section 2375.4(f)

(1) “How the dealer cooperative will redeem all beverage container material types.

(2) How the dealer cooperative will have the capacity to redeem an amount of beverage containers equal to 100 percent of the beverage containers sold by dealer members into the unserved convenience zones in which any of the dealer members operate.

(3) How the dealer cooperative will provide “consumer convenience that is comparable to the requirements of section 14571 and section 14571.9 of the Act,” as defined in section 2370.

(4) Not all redemption locations are required to redeem all beverage container material types; however, at least one redemption location in each unserved convenience zone covered by the stewardship plan shall redeem all beverage container material types with immediate payment of the refund value a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m.

(5) A dealer cooperative may operate in more than one unserved convenience zone in which any of its dealer members operate, regardless of whether the unserved convenience zones are adjacent or overlap.

(6) The stewardship plan may establish a redemption limit per customer per day per redemption method; however, at least one redemption location in each unserved convenience zone covered by the stewardship plan shall redeem all beverage container material types with immediate payment of the refund value up to the daily load limits established in section 2535(f) a minimum of 10 hours per week, with no less than five of those hours on a Saturday or Sunday between the hours of 9 a.m. and 5 p.m.”

Performance Standards

14 CCR section 2375.6

“The stewardship plan shall include performance standards for each of the following, a description of how each of the performance standards will be achieved, and how achievement will be measured on a quarterly basis corresponding with the dealer cooperative’s reports submitted pursuant to section 2381:”

17. Geographic Spread of Redemption Sites

Section 2375.6(a)

“The geographic spread of redemption sites and an explanation for the geographic spread. This shall include the number of redemption sites in each unserved convenience zone in which any of the dealer members operate per person.”

18. Redemption Capacity

Section 2375.6(b)

“The beverage container redemption capacity per quarter for each unserved convenience zone in which any of the dealer members operate. The overall beverage container volume capacity of the dealer cooperative shall, at a minimum, be sufficient to redeem an amount of beverage containers equal to 100 percent of the beverage containers sold by dealer members into unserved convenience zones in which any of the dealer members operate pursuant to section 2375.4(f)(2). The redemption capacity specified in the stewardship plan may incorporate redemption limits established pursuant to section 2375.4(f)(6).”

19. Redemption Amount

Section 2375.6(c)

“Redemption of, at a minimum, an amount of beverage containers equal to 80 percent of the beverage containers sold by dealer members into unserved convenience zones in which any of the dealer members operate.”

20. Average Wait Time

Section 2375.6(d)

(1) “The average wait time for a consumer to redeem a beverage container in the area covered by a dealer cooperative's stewardship plan and how the wait time was calculated.

(2) Examples of wait time factors include the following: type of redemption methods; population and population density; number of redemption sites; number of redemption contractors; number of staff; staff experience; number of total operating hours; number of operating hours other than from Monday to Friday from 9 a.m. to 5 p.m.; location within the convenience zone; proximity of redemption sites to residences, dealers, and businesses; and estimated amount of beverage containers an average consumer will seek to redeem.”

Budget

14 CCR section 2375.8

“The stewardship plan shall include the dealer cooperative’s budget and how dealer cooperative stewardship fees assessed on dealer members will support that budget, including both of the following:”

21. Anticipated Costs

Section 2375.8(a)

“An itemized list of anticipated costs associated with the administration and implementation of the stewardship plan. The list shall include the monetary amount and purpose on which the funds will be spent. The list shall include, at a minimum, anticipated costs for the categories listed in section 2381(c)(6) for the first four quarters the dealer cooperative will operate.”

Cost Categories

Section 2381(c)(6)

“The gross revenue and expenditures experienced by the dealer cooperative, including an itemization or, at a minimum, all of the following if applicable to the dealer cooperative:

- (A) Program development and planning.
- (B) Administration, personnel, and overhead.
- (C) Operational costs.
- (D) Education and outreach.
- (E) Technology and equipment.
- (F) Regulatory compliance and reporting.
- (G) Partnerships and collaborations.
- (H) Legal and professional services.
- (I) Contingency fund.”

22. Funding Level and Reserves

Section 2375.8(b)

“A recommended funding level necessary to cover the stewardship plan's budgeted costs and to operate the stewardship program in a prudent and responsible manner. This shall include the target amount for the dealer cooperative's monetary reserves, and the operating deficit amounts that the target monetary reserves will be able to cover, and a description of how surplus funds and operating deficits that exceed those amounts will be addressed by the dealer cooperative during the operation of the stewardship plan.”

Recordkeeping Processes

14 CCR section 2380

23. Records of Redemption Transactions

Section 2380(b)

“As part of a stewardship program, the following records shall be prepared and retained for each beverage container redemption transaction:

(1) The date the beverage container material was received from the customer redeeming the empty beverage containers. This shall be demonstrated by the use of a daily customer log that includes each customer's printed first and last name and signature, or another method sufficient to track the redemption of individual customers that is described in the dealer cooperative's stewardship plan.”

24. Location of Records

Section 2380(f)(1)

“A dealer cooperative shall provide immediate access to the department to any original record required by the Act or this chapter. Immediate access may include physical inspection of the record at any redemption site or location identified in the approved stewardship plan.”

Submission

14 CCR section 2375

1. Required Contents

Section 2375(a)(1)

“In order to receive approval for a stewardship plan, a dealer cooperative shall submit a stewardship plan to the department that includes the information required pursuant to sections 2375.2, 2375.4, 2375.6, and 2375.8.”

2. Electronic Submission

Section 2375(a)(2)

“A stewardship plan submitted to the department pursuant to this section shall be submitted electronically. The date of electronic submittal shall be considered the date of receipt by the department.”

3. Online Posting

Section 2375(a)(3)

“The dealer cooperative shall post the stewardship plan submitted to the department on an internet website identified in its stewardship plan.”

4. Accessibility

Section 2375(a)(4)

(A) “A stewardship plan submitted to the department and posted online pursuant to this section shall be consistent with the standards set forth in section 7405 of the Government Code and the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 by the World Wide Web Consortium at <http://www.w3.org/TR/WCAG20/>. The entirety of the Web Content Accessibility Guidelines (WCAG) 2.0 published in 2008 are incorporated by reference.

(B) Notwithstanding section 2376, a dealer cooperative’s failure to comply with subparagraph (A) shall not be a basis for disapproval of the stewardship plan.”

5. Compliance Declaration

Section 2375(b)

“Submission of the stewardship plan shall constitute a declaration that the dealer cooperative and dealer members are in compliance with all applicable requirements of the Act and this chapter.”

Additional Resources²

1. **CalRecycle's Convenience Zone Status Tool:**
<https://www2.calrecycle.ca.gov/BevContainer/ConvenienceZones>
2. **CalRecycle's Recycling Center and Processor Locator Tool:**
<https://www2.calrecycle.ca.gov/BevContainer/CertifiedPrograms/RecyclersProcessors/>
3. **CalEnviroScreen 4.0:**
<https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>
4. **California State Geoportal for Location-based Data:** <https://gis.data.ca.gov/>
5. **United States Census Bureau Population Data:**
<https://data.census.gov/profile/California?q=040XX00US06>
7. **Department of Finance Web Application Identifying Leading Non-English Languages:** <https://dru-data-portal-cacensus.hub.arcgis.com/apps/edaf9becf66d4a16be9844726c29cf2f>
8. **World Wide Web Consortium Web Content Accessibility Guidelines 2.0 (2008):** <https://www.w3.org/TR/WCAG20/>
9. **Department of Rehabilitation Accessibility Toolkit:**
<https://www.dor.ca.gov/Home/WebAccessibilityToolkit>

² These resources are provided for reference only. The inclusion of a resource is not a guarantee of the accuracy of its contents.