



Date: January 28, 2025

Honorable Mayor and Council Members:

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Title: Reusable Drinkware Funding Program

Jen Callaway, Town Manager

Recommended Action:

1. Approve reusable drinkware funding program with OKAPI Reusables to support the launch of a reusable drinkware return system at Truckee businesses; and
2. Approve program guidelines for The Dishwashing Grant Program for Truckee restaurants participating in the OKAPI reusable drinkware program.

Discussion:

I. Background

Waste and litter reduction is a longstanding priority of the Truckee community and Town Council. On November 8, 2022, Town Council approved the Single-use Foodware Reduction Ordinance (Ordinance 2022-09), in alignment with Truckee Town Council's priority to "reduce greenhouse gas emissions and become a leader in environmental sustainability." The production and disposal of single-use food and beverage packaging has significant environmental impacts, including litter impacts, the depletion of natural resources, the use of non-renewable fossil fuels, and greenhouse gas emissions. Single-use foodware packaging makes up 68% of litter found in Truckee and continuing to find options for reusable alternatives is critical in meeting Truckee Climate Action Plan Goal 10.A: Reduce Single-Use Items.

The Single-Use Foodware Reduction Ordinance includes the following requirements:

- A ban on the sale and distribution of expanded polystyrene (e.g., Styrofoam) – effective April 1, 2023
- Prepared food vendors must provide reusable foodware for customers dining in – effective January 1, 2024
- A \$0.25 customer fee on disposable takeout containers and disposable cups – effective January 1, 2024
- Single-use accessory foodware items (straws, napkins, utensils, etc.) must only be provided to a customer if requested – effective January 1, 2024

Truckee's Single-Use Plastic Water Bottle Ordinance will go into effect on Earth Day, April 22, 2025, prohibiting the sale and commercial distribution of unflavored, non-carbonated water in single-use plastic bottles and paper cartons under a gallon in size. The Town has recently launched a water bottle filling station grant program and worked together with Drink Tahoe Tap to add many Truckee establishments to a regional water bottle filling station map. Thus far, 14 filling station grants have been issued, providing \$19,062 in funding. A total of 33 water refill locations in Truckee have also been listed on the regional filling station map, available at takecaretahoe.org/water-stations/. This initiative

continues the Town's commitment to reducing single-use packaging and encouraging the use of reusable food and drinkware.

The Town has also operated the reusable green box takeout container program since 2017. There are currently nine restaurants participating in the program, and over 2,000 reusable boxes in circulation, saving an estimated 70,000 single-use food containers from landfills thus far. Customers can purchase their first reusable green box for \$5 and receive their takeout order in a reusable container, then return it to exchange for a new box with their next takeout order. Truckee is proud to operate this innovative program which is currently the only jurisdiction-operated community reuse program in the country. Over the last 7 years, staff has conducted outreach to restaurants to grow the program but has not received interest from additional restaurants to participate. As a result, staff have begun exploring additional incentives and programs to increase the use of reusable foodware in our community, including exploring third-party vendors that offer more complete services for reusable container return systems, such as data tracking, inventory management, and brand awareness. This action to work with businesses to reduce single-use items and expand reusable foodware options is included in the Town Council Priorities Workplan, Task Item 3.1: Single-Use Foodware Ordinance Implementation.

The Single-Use Foodware Reduction Ordinance requires restaurants to charge a \$0.25 disposable cup and container fee, incentivizing customers to bring their own reusable food and drinkware or participate in the reusable green box program to avoid the fee and reduce waste. However, the bring-your-own model and green box program still set limitations, including requiring customers to bring reusable containers with them, and clean their used containers. Bringing your own container also lacks ease and efficiency with online/phone orders. Expanded reuse options for takeout in conjunction with the disposable container fee can provide an additional choice for customers to utilize reusables and thus reduce waste and avoid fees. Expanded reusable container systems can provide more accessibility and efficiency than existing models, such as not requiring customers to bring their reusable container with them, not requiring customers to wash containers, and provide more efficiency and ease with online/phone orders. Cost benefits can also be realized by not requiring each customer to purchase their own reusable, but rather only requiring a smaller one-time membership cost to rent a container.

II. Request for Information (RFI) Process

As part of the Town's efforts to reduce waste and litter, particularly from single-use foodware items, the Town released a Request for Information (RFI) in January 2024 to better understand the state of the industry in reusable foodware return systems, provide information to local businesses and event managers about available reusable foodware return systems, determine what level of support is needed from the Town to facilitate implementation, and receive a cost estimate from interested system providers. Responses were received from two businesses operating reusable container return systems, Buoy and OKAPI Reusables. Buoy's model offers recycled plastic drinkware and foodware and included dishwashing handling. OKAPI's model offered stainless steel drinkware only and relied on the businesses to clean cups. Staff met with both respondents in March 2024 to understand their program offerings and their potential for operating in Truckee.

III. Business Outreach

During the fall of 2024, staff conducted outreach with restaurants and coffee shops to gauge interest in the two program offerings. In total 30 businesses were contacted by either email, phone calls, or in-person outreach. The results of the outreach are as follows:

- 16 businesses said they were not interested in either program option
- 7 businesses did not provide responses
- 7 businesses were interested in the OKAPI program
- No businesses were interested in the Buoy program

There are also three Truckee businesses, Wild Cherries and two Coffeebar locations, who independently joined the OKAPI program in 2023, prior to the Town's involvement. All Coffeebar locations are additionally participating in OKAPI, including nearby in Reno, Olympic Valley, and Northstar Village.

Businesses not interested in joining the programs shared several recurring points including:

- Reusable drinkware from both Buoy and OKAPI did not make sense for full-service restaurants not commonly offering to-go drinks
- Perceived high workload for low customer return with both options
- Already have a strong customer culture of bringing their own reusables
- Concerns over inventory storage space, container cleanliness, dishwashing load, and putting hot drinks in a plastic cup (Buoy program)
- Strong business preferences over the presentation of meals in a to-go container, felt the Buoy container style was not a good fit

It quickly became apparent through business outreach that reusable drinkware offered through the OKAPI program was a more enticing option for business owners, particularly for cafes, because the cup design and customer behavior towards reusable drinkware is much more standardized and prevalent than for reusable foodware. Not to mention, having two businesses in Truckee already on board with the OKAPI program meant that cafes would not have to be taking the first step, but rather be joining an existing model. Additionally, the anticipated added dishwashing load by joining OKAPI did not seem a significant deterrent for businesses after hearing from Wild Cherries and Coffeebar that especially during early adoption of the program, the number of used cups returned daily was a manageable capacity to add to their existing dishwashing load.

Business owners also expressed interest in additional funding for installing dishwashers to support participation in the OKAPI program, given that the OKAPI model requires cafes to wash the returned cups themselves.

IV. Proposed OKAPI Partnership Model

OKAPI is currently working with three cafes in Truckee and works with over 80 cafes across the West Coast, including in the San Francisco Bay Area, Reno/Tahoe, Portland, and Seattle. OKAPI owns a fleet of stainless-steel double walled cups with silicone lids in 8, 12, and 16 oz. sizes. Transparent glass tumblers for cold drinks are also available in 16, 20, and 24 oz. sizes. Customers use the OKAPI mobile app to join the network by paying a \$10 one-time membership fee, giving them access to borrow up to 2 cups at a time. Used cups and lids can be returned to any cafe in the OKAPI network, and cafes are responsible for washing and sanitizing returned cups. A \$15 lost cup fee is charged if a cup is not returned within 2 weeks, and customers receive multiple email reminders before being charged and can receive an extension if necessary. OKAPI partner cafes typically save 500-2,000 disposable cups per year. Many OKAPI participating cafes also notice increased customer participation in bringing their own reusable cup as a result of creating a stronger culture of reuse.

To join the network, cafes pay \$100 for initial in-cafe materials, then \$25/month. OKAPI's model makes the program affordable for partner cafes to participate by not requiring them to purchase the reusable drinkware and keeps monthly fees minimal. However, the program typically relies on outside support for outreach, business engagement, providing mini grants to participating cafes to cover startup costs, and community partnerships and collaboration promoting a culture of reuse to make the system successful.

Staff recommend that the Town provide funding to OKAPI Reusables to facilitate additional cafes signing on to the program, and to provide additional community outreach support to expand public participation in Truckee. To streamline the Program, the Town will have one contract with OKAPI, and OKAPI will set up agreements with individual cafes participating in the program. This will reduce Town staff administration time and simplify the process for participating businesses. The services provided would directly support participating businesses in launching and driving participation in the Program.

The Town will support OKAPI in connecting with cafes that have already expressed interest in the program. OKAPI will invoice the Town based on participation for each cafe that joins the network.

The Town funding proposal would provide \$2,400 to OKAPI for each cafe that signs on between March 2025 - March 2026. Funding will cover cafe costs of \$100 for initial in-café materials and the first 3 months of \$25/month membership fees. In addition, funding will support OKAPI staff time for café onboarding and training visits and ongoing café engagement and monthly cup rebalancing. Promotions and community marketing will also help with increasing and sustaining adoption levels, as public awareness and participation are crucial to the program's success. The Town funding for cafes will also include support for marketing and promotions, including free coffee promotions at partner cafes to encourage customer sign-ups, OKAPI staff support for on-site tabling and promotional events, local advertising, and social media content development. Staff recommend that the three Truckee cafes already participating in OKAPI receive an equivalent amount of funding to reimburse their initial material costs and support an additional 3 months of membership fees to incentivize their continued participation, plus supplemental marketing and outreach support from OKAPI.

OKAPI's proposed scope of work also includes funding to subsidize up to 1,000 reduced-price customer memberships, offering a promotion code for \$9 off the membership fee. Customers will be able to join the network for just \$1, incentivizing participation in the program. Since a credit card is required to join the program, the Town has proposed providing additional promo codes for customers without access to a credit card to still join OKAPI. The funding proposal allows the Town to cover up to 200 accounts for underserved community members, with plans to partner with Sierra Community House and other community organizations to distribute these promo codes to the community, waving \$10 membership costs and any potential lost cup fees for these memberships (\$15).

OKAPI will measure and report metrics to the Town, including:

- List of participating cafes
- Number of reusable containers used by businesses, and number of single-use foodware items avoided
- Return rate of reusable foodware
- Number of Truckee customers signed up to OKAPI, orders, frequency of use, and opt-in rate
- Cost and quantity of reusable foodware purchases/inventory management
- Feedback from cafes and customers via engagement and satisfaction surveys
- Analyze methods for increasing adoption and improving engagement and satisfaction

OKAPI also offered additional program components to consider in the future, but are not included in this proposed budget:

- A "no app" model can be developed if downloading an app proves to be inhibiting customer participation in the program, especially in our high-tourism community. Customer surveys will collect data on user demographics to determine if future program modifications are needed to fill gaps in customer participation. Staff are not recommending including this option at this time due to the high costs and the uncertainty that the no-app model would increase customer participation. The no-app model would still require customers to sign-up with OKAPI using a QR code linking to a webpage prior to borrowing a cup.
- OKAPI does not currently offer reusable food containers but has a stainless-steel food container that they are looking to add to their network. Initial feedback from Truckee restaurants showed limited interest in participating in food container systems and altering the existing green box program. However, customers have expressed interest in a stainless-steel container option as an alternative to plastic. If the "network effect" of Truckee café participation in OKAPI increases the program popularity, the Town could revisit an OKAPI reusable food container program in the future. Staff could also consider utilizing the OKAPI app for the existing reusable green box program.

The proposed funding program is designed to provide funding directly to OKAPI to streamline the process and avoid administration of multiple individual grants to businesses, in response to business feedback from the Town's previous reusable dishware and dishwashing grant. The initial goal is to launch OKAPI at 4-7 cafes and anticipate that additional businesses may choose to sign up if they see the Program gain traction. Therefore, the proposed budget provides funding for all cafes in Truckee (15 total), should all cafes be interested. The not-to-exceed budget total is \$56,825. Funding for the proposed OKAPI partnership will come from the existing CIP C2309 - Single-Use Foodware Reduction budget, split across FY 24/25 - FY 26/27. If additional ongoing outreach and promotional support is needed, the Town could include ongoing funding for items such as reduced-price community memberships in the Solid Waste Budget.

Scope of Work Summary

Item	Notes	Cost	Timeline
Launch OKAPI in 12 additional Truckee cafes	Costs include purchase of cups and lids, café materials, free coffee promotions, OKAPI staff support for cafes onboarding and training, on-site tabling/promotional events, and ongoing café engagement. Interim goal to launch at 4-7 cafes. Invoiced per café as new cafes sign on.	\$28,800 (\$2,400 for 12 cafes)	March 2025-March 2026
Reduced-Price Community Memberships	1,000 reduced-price community memberships. (\$9 off \$10 membership: join OKAPI for just \$1). Town and OKAPI will mutually determine where memberships are allocated, including but not limited to distribution at community events, partner cafes, and through community partners. Invoiced quarterly based on use.	\$9,000 (\$9 for 1,000 memberships)	March 2025-March 2027
No Credit Card Community Memberships	Free community membership (\$10 membership fee) plus waive lost cup fee if cup is not returned (\$15 lost cup fee) – available for up to 200 customers. Membership vouchers will be distributed through Sierra Community House and other community partners to allow community members without a credit card to join. Invoiced quarterly based on use.	\$5,000 (\$25 for 200 memberships)	March 2025-March 2027
Continued support for 3 existing Truckee cafes	Support three Truckee cafes that are already members of the OKAPI network. Costs include: - reimbursement of initial start-up fee (\$100), plus three months of additional OKAPI café fee (\$25/month) - purchase of additional cups and lids, updated café materials, free coffee promotions, and OKAPI staff support for on-site tabling/promotional events and ongoing café engagement	\$5,025 (\$1,675 per café)	March 2025-March 2026

Marketing and community outreach	Social media content development and advertising, community events in collaboration with partner cafes.	\$5,500	March 2025 – March 2026
Year 2 marketing and community outreach	<i>Optional, if mutually agreed upon between Town and OKAPI:</i> Social media content development and advertising, community events in collaboration with partner cafes.	\$5,500	March 2026- March 2027
Total Cost		\$58,825	

V. Dishwasher Grant

Based on business feedback, staff recommend offering funding for cafes participating in the OKAPI program to procure or install new or upgraded (e.g. larger capacity) equipment to wash and sanitize reusable foodware. The Town previously offered a dishwashing grant in March 2024 to support the Single-Use Foodware Reduction Ordinance requirement for all restaurants to provide reusable foodware for in-house dining. Given that dine-in is not a large percentage of most coffee shops' service, there were no coffee shops that applied for dishwashing funding through that grant. OKAPI's model would add an additional dishwashing load for these types of restaurants that are more geared towards takeout service and may not have the dishwashing capacity needed to participate. Similar to the previously operated dishwashing grant offered in March 2024, eligible dishwashing expenses may include the purchase or pre-paid lease of new dishwashing equipment, reimbursement for Nevada County Environmental Health permit fees and Town of Truckee Building Permit fees required for dishwasher installation, reimbursement for dishwashing chemicals, drying racks, and any other equipment that may be required for dishwashing. Cafes could receive up to \$1,000 reimbursement for dishwashing equipment, and up to \$500 for dishwashing chemicals. Based on initial business outreach, only a handful of cafes are likely to need dishwashing funding, however, the proposed budget provides full grant funding for 15 cafes to ensure funding is available for all eligible businesses. Funding for the proposed dishwasher grant will also come out of the existing CIP C2309 - Single-Use Foodware Reduction budget, split across FY 24/25 and FY 25/26. Cost estimates will be broken down by Fiscal Year as follows:

Town Dishwasher Grant Estimated Budget

FY 24/25 (March-June 2025)	
6 restaurants, up to \$1,500 each	\$9,000
FY 25/26 (July-March 2026)	
9 restaurants, up to \$1,500 each	\$13,500
Total Grant Budget	\$22,500

VI. Implementation Timeline

- **February 2025:** Execute contract with OKAPI
- **March 2025 – March 2026:** OKAPI to set up contracts and onboard Truckee cafes
- **March 2025 – December 2025:** Dishwashing grant applications open
- **March 2026:** Grant reimbursement documents due
- **Ongoing:** Town and OKAPI conduct community engagement to support customer participation
 - Tabling and promotion events on-site at cafes and at local community events: Okapi to host events at cafes and local events, Town staff to include OKAPI messaging at regularly attended tabling events

- Distribute reduced-price community membership vouchers at the above-mentioned tabling and events
- Social media and local advertising: OKAPI to conduct with Town staff support in utilizing best community specific outreach channels and methods
- Collaborations with community organizations, i.e. Sierra Community House, Visit Truckee-Tahoe, Truckee Chamber of Commerce, Truckee Downtown Merchants Association, etc.: Town staff to distribute “no credit card required” vouchers at Sierra Community House food distributions, connect OKAPI with local organizations for additional potential collaborations

Priority:

<input type="checkbox"/> Enhanced Communication	<input checked="" type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

Fiscal Impact: The recommended reusable drinkware return system and dishwashing grant program will be fully funded out of CIP 2309, which includes \$34,225 in FY24/25, \$38,583.33 in FY25/26 and \$8,516.67 in FY26/27 to support new reusable foodware programs.

Public Communication:

- Business outreach (emails and in-person)
- Agenda Posting

Attachments:

Attachment 1: Dishwashing grant program guidelines