

# Helping a Failing RMDZ Business

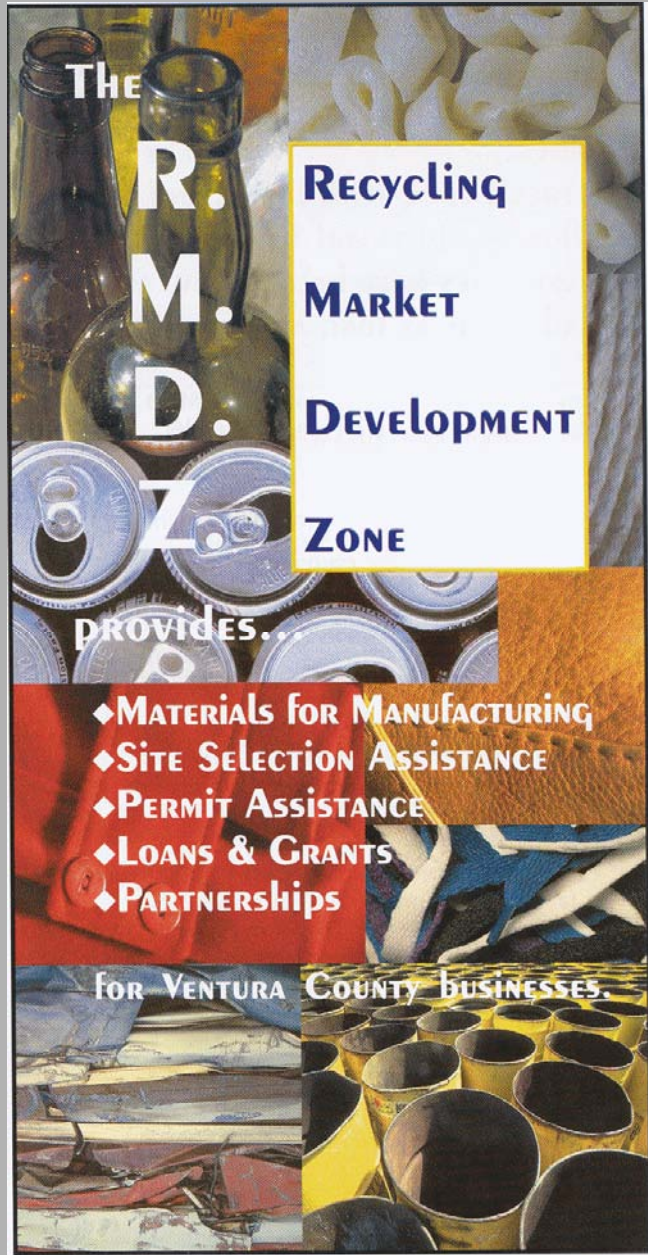
# RMDZ

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Administered by the County of Ventura in  
partnership with the cities of

Camarillo, Fillmore, Moorpark, Ojai, Oxnard,  
Port Hueneme, San Buenaventura, Santa Paula,  
Simi Valley, and Thousand Oaks



Priorities:

1. Convert
2. Retain
3. Expand
4. Start-Up
5. Recruit

## Industry Sector Decline

- Worm Farm Failures in early 90s



## In need of “Right Sizing”

- Upsize ReStore
- Downsize Simi Valley Base
- RTM fails to Upsize



## Cash Flow: Short term crisis or endemic

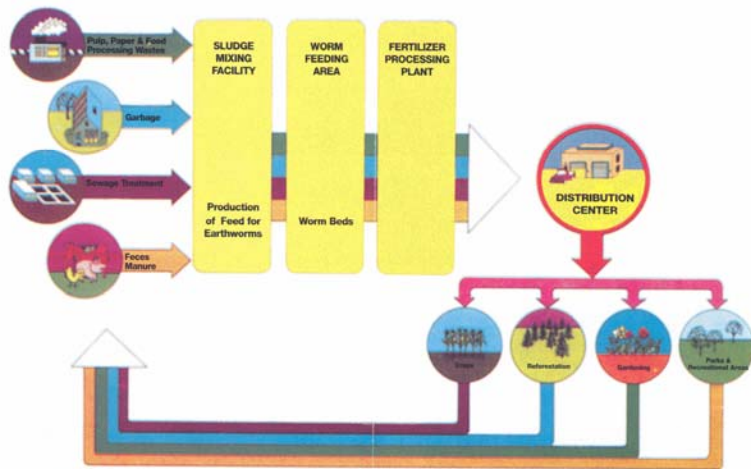
- Parks Optical
- ENO





# Worm-mania! (early 90s)

## Earthworm Recycling System



**HY HUNTER  
INDUSTRIES**

*Helping to make "waste" a thing of the past*

By selling off the "**CROP**" of 8,054,310 California Golden Giant "SUPERWORMS" at only 2¢ each you might realize a gross income of **\$161,086.20** for only two years' work. If you have started with *only* 1,000 California Giant Earthworms, at the end of 2 years, you could possibly have over 1 billion worms and eggs!

**CONTROLLED ENVIRONMENT AQUATIC LOOP PRODUCTION SYSTEMS  
INTERNATIONAL HOME FISH BREEDERS  
ASSOCIATION INCORPORATED**  
12005 Highwater Rd.  
Granada Hills, California 91344  
Phone (818) 363-0202

| ORIGINAL<br>PURCHASE | 2 MONTH<br>PROPAGATION | 4 MONTH<br>PROPAGATION | 6 MONTH<br>PROPAGATION       | DESIRED MONTHLY<br>INCOME                  |
|----------------------|------------------------|------------------------|------------------------------|--|
| 5,000                | 10,000                 | 20,000                 | No Sale<br>Hold 40,000       | NOT RECOMMENDED TO SELL<br>UNTIL 6TH MONTH |
| 10,000               | 20,000                 | 40,000                 | Sell 10,000<br>Hold 70,000   | = \$550 APPROX<br>OR \$100/ MONTH          |
| 15,000               | 30,000                 | 60,000                 | Sell 20,000<br>Hold 100,000  | = \$400 APPROX<br>OR \$200/ MONTH          |
| 20,000               | 40,000                 | 80,000                 | Sell 40,000<br>Hold 120,000  | = \$600 APPROX<br>OR \$400/ MONTH          |
| 30,000               | 60,000                 | 120,000                | Sell 60,000<br>Hold 160,000  | = \$1200 APPROX<br>OR \$600/ MONTH         |
| 40,000               | 80,000                 | 160,000                | Sell 120,000<br>Hold 200,000 | = \$2400 APPROX<br>OR \$1200/ MONTH        |
| 50,000               | 100,000                | 200,000                | Sell 160,000<br>Hold 240,000 | = \$3200 APPROX<br>OR \$1600/ MONTH        |
| 60,000               | 120,000                | 240,000                | Sell 200,000<br>Hold 280,000 | = \$4000 APPROX<br>OR \$2000/ MONTH        |
| 70,000               | 140,000                | 280,000                | Sell 240,000<br>Hold 320,000 | = \$4800 APPROX<br>OR \$2400/ MONTH        |
| 80,000               | 160,000                | 320,000                | Sell 280,000<br>Hold 360,000 | = \$6600 APPROX<br>OR \$3300/ MONTH        |
| 90,000               | 180,000                | 360,000                | Sell 320,000<br>Hold 400,000 | = \$6400 APPROX<br>OR \$3200/ MONTH        |
| 100,000              | 200,000                | 400,000                | Sell 360,000<br>Hold 440,000 | = \$7200 APPROX<br>OR \$3600/ MONTH        |
| 120,000              | 240,000                | 480,000                | Sell 400,000<br>Hold 480,000 | = \$8000 APPROX<br>OR \$4000/ MONTH        |

INFORMATION ONLY

NOTE: The above information is only an approximation and with temperature around 72° at all times, under optimum conditions, and is based on an approximation of 2¢ per worm.

NO LIABILITY ACCEPTED BY THE INTERNATIONAL HOME FISH BREEDERS ASSOCIATION INC. FOR THIS CHART.

# Industry Failure: Worm Farms

- Worm Concern
  - Problem: Permits, unable to take loan
  - Solution: Hauler partnership
  - Result: Delayed failure
- Flying Heart
  - Problem: Low profit margin
  - Solution: Non-profit takeover
  - Result: Buy out, bait, 2 years



# Right Sizing: Up

## Re-Store

Problem: Insufficient revenue to justify commitment

Solution: CIWMB Reuse grants, expansion, economy of scale

Result: Bigger (400 tpy), better





# Right Sizing: Down

Simi Valley Base

Problem: Illegal storage, landlord gave 30 days, lease termination

Solution: Negotiated time (city & landlord), crushing, adjacent

Result: Smaller (20,000 tpy), still operating



# Failure to Right Size

RTM

Problem: Illegal site, undersized equipment, stamped product

Solution: Ineligible for grants; no permit, no loan; Econ. Gardening

Result: Failure – Still trying to sell equipment and patents





# Cash Flow: Temporary

## Parks Optical

Problems: Failure of key supplier, dispute over rent payments

Solutions: CIWMB payment forbearance, temporary use of virgin

Result: Resumption of payments, sale of loan

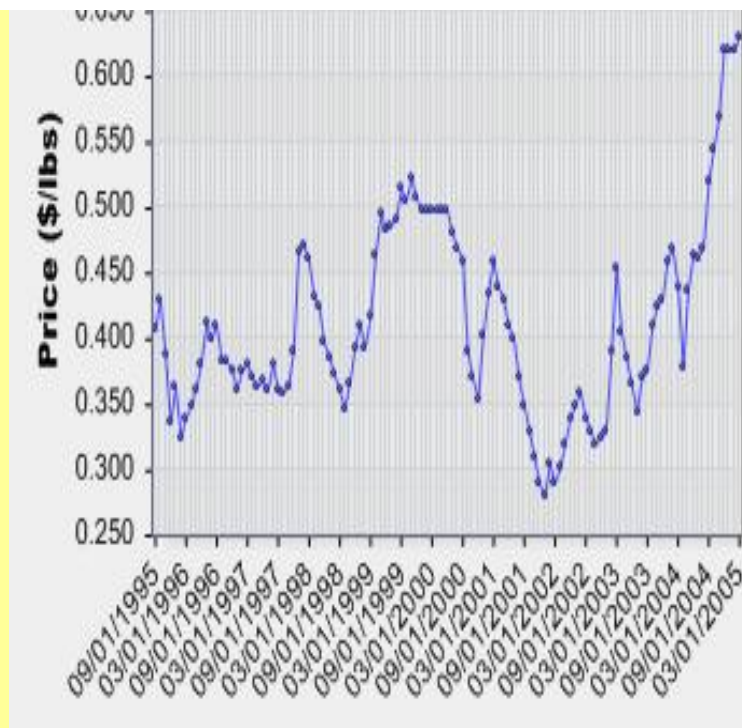


# Cash Flow: Long Term

## ENO Plastics

- Problems: Cyclical plastic value, storage, access to material, handling
- Solutions: CIWMB payment forbearance, J I T, partners, switch material
- Result: Liquidation for partial repayment of RMDZ loan

Labor & Energy 14 cents/pound for pellet. Sale falls from 50 to 35 cents



# Cash Flow: Permanent

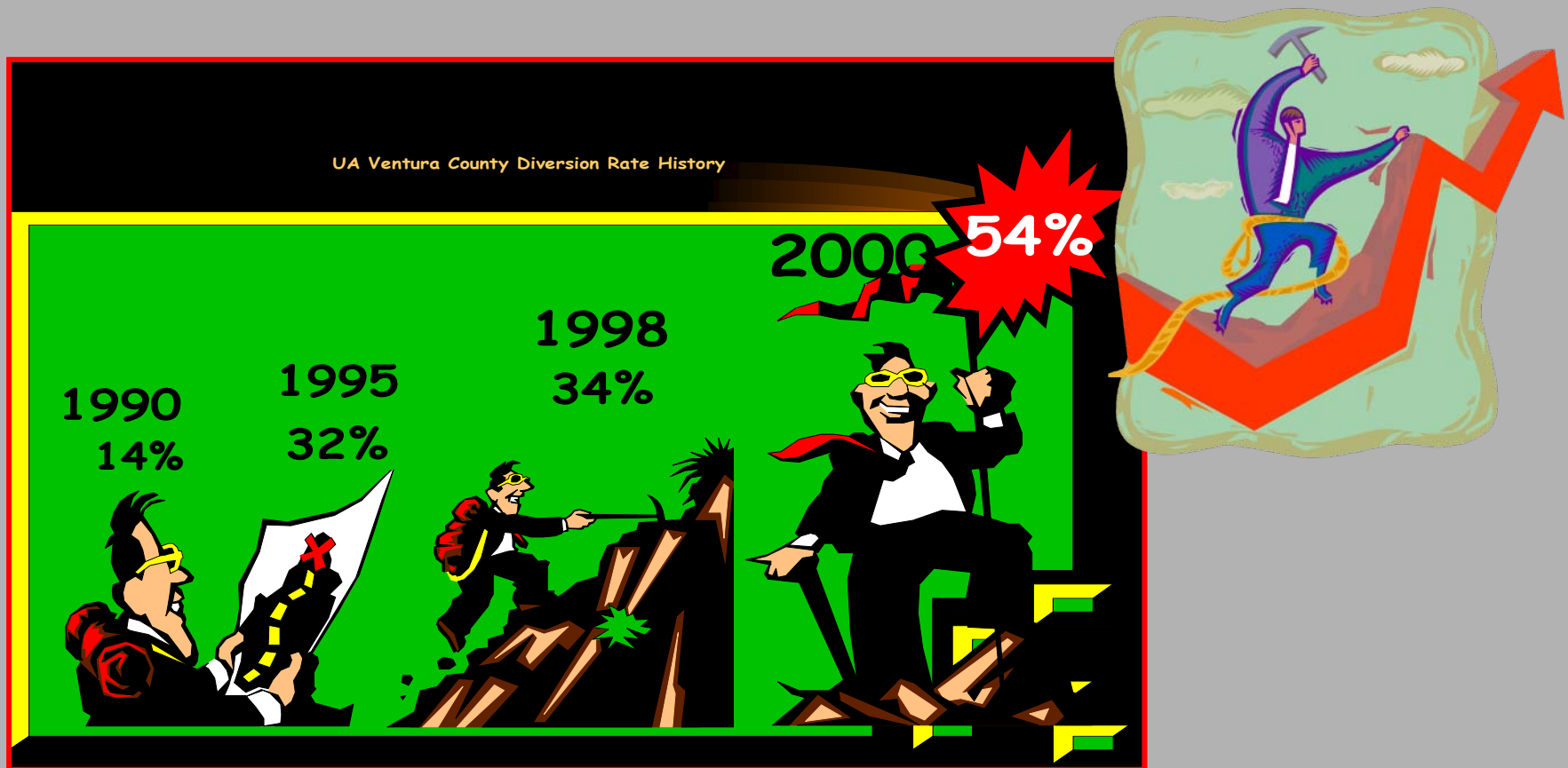
## On-Site Power

- Problem: Indeterminate wait for approval from Cal State University
- Solutions: Material and support from suppliers, administration, politicians
- Result: Left CSUCI, went forward at UCD

Failed at CSUCI, Moved Forward at UCD



# Market Development Drives Diversion



\*Diversion percentage

\*2008 per capita daily disposal is 7 lbs/person/day (10% less than state requirement per SB 1016)



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Ventura County Recycling Market Development Zone  
Ventura County IWMD

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ph. (805) 658-4312

[www.wasteless.org](http://www.wasteless.org)



**Questions**

**Suggestions**