

County Executive Office

August 23, 2022

Honorable Erick L. Larsh Presiding Judge of the Superior Court of California 700 Civic Center Drive West Santa Ana, CA 92701

Subject: Response to Grand Jury Report, "Where Have All the CRVs Gone?"

Dear Judge Larsh:

Per your request, and in accordance with Penal Code 933, please find the County of Orange response to the subject report as approved by the Board of Supervisors. The respondents are the Orange County Board of Supervisors and the County Executive Office.

If you have any questions, please contact Lala Oca Ragen of the County Executive Office at 714-834-7219.

Sincerely,

Digitally signed by Frank Kim DN: cn=Frank Kim, o=County of Orange, ou=CEO, email=frank.kim@ocgov.com

, c=US Date: 2022.08.25 13:41:05

Frank Kim

County Executive Officer

Enclosure: Responses to Findings and Recommendations 2021-22 Grand Jury

cc: Orange County Grand Jury
Lilly Simmering, Deputy County Executive Officer
Lala Oca Ragen, Director, Performance Management and Policy
Elizabeth Guillen-Merchant, Director, Performance Management and Policy



Responses to Findings and Recommendations 2021-22 Grand Jury Report:

"Where Have All the CRVs Gone?"

SUMMARY RESPONSE STATEMENT:

On June 28, 2022, the Grand Jury released a report entitled "Where Have All the CRVs Gone??" This report directed responses to findings and recommendations to the Orange County Board of Supervisors and OC Waste & Recycling. The responses are below:

FINDINGS AND RESPONSES:

- F1. Due to the reduced availability of convenient CRV redemption sites and the lack of accurate online information, it is difficult for resident consumers to redeem CRV fees.
- Response: Agrees with the finding. Resident customers have contacted the County to find locations for CRV redemption. These locations are not always convenient to the customer locations and require extra effort and travel to benefit from the redemption program.
- F2. Because redemption site locations have diminished in number, waste haulers are the beneficiaries to the CRV fees paid originally by resident consumers.
- Response: Agrees with the finding. With the added effort resident customers must put forth to benefit from CRV redemption, many choose to forego the fees they would receive and disposing of the material instead. Waste haulers have better access to the redemption sites than resident customers, although it is not confirmed the waste haulers are benefiting from this availability.
- F3. CalRecycle is attempting to improve CRV redemption and reduce CRV recyclables from landfills and are offering financial incentives to do so. Orange County and its cities are not fully taking advantage of the grant or pilot program opportunities available through CalRecycle.
- Response: Agrees with the finding. The County considers available funding and grant requirements compared to resources needed to implement new programs

with CRV related funding. CalRecycle depends on unincorporated Orange County demographics to determine funding amounts. Based on the structure of the grants, the County has found it is more beneficial for Cities to apply due to the larger financial incentives and access to existing CRV sites within their jurisdiction. That said, the County will continue to proactively explore all CalRecycle related CRV grants.

In addition, OCWR staff continues to update Orange County Cities on CalRecycle grant funding opportunities through quarterly Recycling Coordinator meetings.

- F4. Orange County and most OC Cities do not make CRV redemption and recycling a priority when negotiating their waste hauler contracts which results in missed financial opportunities and convenience for their residents.
- Response: Disagrees partially with the finding. During contract negotiations for the County's unincorporated areas recycling material was at the forefront of the negotiations. While CRV redemption was not specifically identified, overall waste diversion (recycling) was a critical piece of the negotiations. For clarification, CRV is not called out specifically since it is part of the identified recycling materials to be diverted from the landfills; thus the recycling requirements are greater than just the CRV. The financial opportunities associated with rates are part of the competitive bid process where a hauler will weigh the benefit of the recycling market to help offset the cost for collection, processing and market fluctuation.

RECOMMENDATIONS AND RESPONSES:

- R1. By January of 2023, each of the cities in Orange County should research and apply for available grants or pilot programs from CalRecycle for their community that focus on returning more CRV funds to their residents. (F3)
- Response: The recommendation will not be implemented because it is not warranted or is not reasonable. The County has no authority to require Cities to research or apply for grant funding. OCWR staff will continue to update Orange County City staff on CalRecycle grant funding opportunities through quarterly Recycling Coordinator meetings.
- R2. By January of 2023, the Orange County Board of Supervisors should require OC Waste & Recycling to research and apply for available grants or pilot programs from CalRecycle for the unincorporated areas of OC that focus on returning more CRV funds to their residents. (F3)
- Response: The recommendation requires further analysis. OCWR is actively working on behalf of County resident customers to provide additional opportunities for CRV redemption with fees going to those customers. Potential opportunities include CRV redemption facilities being located in unincorporated areas, at

the various HHW centers managed by the County, and on existing landfills. The feasibility of each of these opportunities are being reviewed for appropriate next steps.

- R3. When renegotiating their current waste hauler contract, all cities and the County of Orange should assess the value of the CRV funds received by the waste hauler in their jurisdiction and creatively leverage this revenue for the benefit of their residents. (F2, F4)
- Response: The recommendation requires further analysis. OCWR may request a report on the recyclable material recovered by the haulers, and how much was submitted for on the DR-6 form for reimbursement for those materials. Each Materials Recovery Facility and Processor of single stream materials from residential or commercial waste must complete a DR-6 reporting for and submit to CalRecycle for CRV value. The current hauler contracts were renegotiated and executed in 2021 for a 10-year term to comply with SB1383 and other recycling legislation related "Discarded Materials" as required by CalRecycle, and did not specifically address CRV redemption. The next negotiation is anticipated prior to 2031.
- R4. By January of 2023, all cities and the County of Orange should develop extensive community outreach programs aimed at educating the public about how to access CRV redemption in their jurisdiction. (F1, F3)
- Response: The recommendation has been implemented. OCWR promotes recycling bottles and cans, including CRV redemption opportunities in all education and outreach opportunities. These include the online recycling resource, OCRecycleGuide.com which includes access to detailed information on CRV redemption locations provided by CalRecycle; the OCLandfills.com website; at community events and through regular outreach materials.