



City of
Laguna Woods

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Carol Moore
Mayor

September 19, 2022

Cynthia Conners
Mayor Pro Tem

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

Noel Hatch
Councilmember

Shari L. Horne
Councilmember

Ed H. Tao
Councilmember

SUBJECT: City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report, "Where Have All the CRVs Gone?"

Christopher Macon
City Manager

Dear Judge Larsh:

Thank you for the report and for the time and effort involved to prepare it.

Per the Orange County Grand Jury's request, and in accordance with California Penal Code Section 933, please find the City of Laguna Woods' response to the subject report attached. The response was approved by the Laguna Woods City Council on September 15, 2022.

If you have any questions or would like any additional information, please contact Christopher Macon, City Manager, at (949) 639-0512 or cmacon@cityoflagunawoods.org.

Sincerely,

Carol Moore
Mayor

Attachment: A – City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report, "Where Have All the CRVs Gone?"

cc: Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

ATTACHMENT A

City of Laguna Woods' Response to the 2021-2022 Orange County Grand Jury Report, "Where Have All the CRVs Gone?"

FINDINGS

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: The City agrees with this finding. The closure of the former certified recycling center in Laguna Woods did make it more difficult for resident consumers to redeem CRV fees. However, at that time there were locations in Laguna Niguel, Aliso Viejo etc. But then some of those locations also closed. There are currently no certified recycling centers in Laguna Woods and only three obligated retailers in Laguna Woods providing in-store CRV redemption. Of the 10 certified recycling centers located nearest Laguna Woods, two are in the city of Aliso Viejo, four are in the city of Irvine, one is in the city of Lake Forest, and three are in the city of Mission Viejo. Furthermore, it has not been the City's experience that CalRecycle's online lists of certified recycling centers and obligated retailers are totally accurate, and to the extent that material inaccuracies exist, the City would agree that those inaccuracies would make it more difficult for resident consumers to redeem CRV fees.

F2. Because redemption site locations have diminished in number, waste haulers are the beneficiaries to the CRV fees paid originally by resident consumers.

Response: The City agrees with this finding. In Laguna Woods, it is reasonable to assume that with the reduced availability of convenient CRV redemption sites, resident consumers are increasingly choosing to dispose of beverage containers with CRV value in recycling containers collected by the waste hauler. To the extent that the waste hauler chooses to separate beverage containers and subsequently redeem CRV fees, the waste hauler would be the beneficiary of CRV fees paid originally by resident consumers.

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: The City disagrees partially with this finding. The City agrees that CalRecycle is attempting to improve CRV redemption and reduce CRV recyclables from landfills and is offering financial incentives to do so. While the City is eligible to apply for CalRecycle's Beverage Container Recycling Grant Program, the program provides one-time funding for new or enhanced ongoing collection programs. The City has not applied for funding in recent years as it lacks the financial resources to ensure that new or enhanced ongoing collection programs are maintained beyond the grant term. With respect to CalRecycle's Beverage Container Redemption Pilot Project Grant Program, the City lacks sufficient resources to commit to conceptualizing, implementing, and administering a "new and

innovative” type of redemption opportunity, and likewise is unable to provide reasonable assurance related to maintaining any prospective program beyond the pilot term. In light of the foregoing, the City disagrees that it is not fully taking advantage of the grant or pilot program opportunities available through CalRecycle. The City is not in a position to opine on efforts by the County of Orange or other cities.

RECOMMENDATIONS

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: This recommendation will not be implemented because it is unwarranted. The recommendation appears sensible but on closer examination it is deeply flawed for it is the already ineffective system of redemption that is at the heart of the problem. The City will continue to research grant and pilot program opportunities from CalRecycle, but is unable to commit to making applications by January 2023. There are a number of variable factors, including workload, organizational capacity, and cost/benefit, that impact the City’s decisions whether to apply for grants or pilot programs. Please also refer to the City’s response to Finding F3 for information regarding challenges related to specific CalRecycle grant and pilot programs.

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: This recommendation will not be implemented because it is unwarranted for the City has no authority to direct the actions of the Orange County Board of Supervisors nor jurisdiction in unincorporated areas.

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: This recommendation will not be implemented because it is unwarranted since the City’s existing franchise agreement for solid waste handling services has an initial term through June 30, 2032. When the time comes for the franchise agreement to be renegotiated, the City will assess the matters warranting renegotiation as then-relevant. It is conceivable that the value of CRV funds received by the waste hauler may not be relevant when the franchise agreement is renegotiated due to as-yet-unknown changes in the recycling economy. For that reason, among others, the City is unable to commit to any particular renegotiation strategy at this time.

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: This recommendation will not be implemented because it is unwarranted since the City's website includes information on where beverage containers with CRV can be redeemed, including links to CalRecycle's list of certified recycling centers and obligated retailers. City staff provide the same information to members of the public upon request. The City does not receive any significant number of inquiries on this matter, which suggests that "extensive" community outreach is not warranted at this time.