

0:12

A critical new phase where historic recycling reforms that advance California's move to a circular economy.

0:18

Plus, community gardens turn food waste back into super food for soil. What would otherwise go into a landfill, we're able to turn it into beautiful soil

0:27

that helps regenerate our lands and helps grow food for the community. The new Grant awards Headed to Tribal Communities.

0:33

CalRecycle's Monthly Public meeting starts now.

0:39

Good morning, everyone. Thanks for joining us for CalRecycle's March 2024 public Meeting.

0:45

This meeting is for Californians by Californians. As we work together to protect our communities

0:50

and fight against climate change. Before we go again, let's look around and identify the two exits closest to you in the event of a fire alarm.

0:59

We are required to evacuate. Please take your valuables and use the ceiling mounted exit signs.

1:04

Do not use the elevators. If you cannot use stairs, you will be directed to a protective vestibule inside the stairwell.

1:10

Should we have to relocate out of the building, remember to follow the traffic signals and exercise caution. Crossing the street.

1:16

Now, here's the information about our Spanish language interpretation.

1:21

Language shouldn't be a barrier when it comes to protecting our air, water and land. CalRecycle is simulcasting this meeting in both English and Spanish.

1:29

Click the public meeting banner at the top Of [CalRecycle.ca.gov](https://www.calrecycle.ca.gov) for a link to our Webcasts in English and Spanish.

1:37

If you're attending this meeting in person in Bryon Sher Auditorium, we have Spanish interpretation. Devices. Available.

1:42

Let our team on the left hand side of the dais know if you need one (In Spanish)

1:48

(In Spanish)

2:20

Our first agenda item today is the director's report CalRecycle acting director

2:25

Krystal Acierto is here for her first CalRecycle monthly public meeting. Welcome, Krystal.

2:31

Thanks, Maria. Good morning, everyone. Super happy to be here today and to be joining the CalRecycle team.

2:37

I think this is a really exciting time at CalRecycle as we're moving forward

2:42

on several of our packaging and beverage container recycling programs

2:47

and you probably all saw but really excited to announce that we're moving forward with the formal rulemaking process

2:54

for both SB 54 and for SB 1013 on the dealer co-ops. And so our draft regulations are out there really encourage folks to

3:03

weigh in on those and take a look at those. I know we've been doing a lot of informal engagement over the last year on both of those,

3:11

but really looking forward to continuing those conversations over the coming

3:16

months. Also, I just want to highlight some grant award announcements today and for both for SB 50, for 1013 and Grant awards.

3:24

I know Zoe will be talking more about those, but just want to highlight

3:30

some some grant awards that are being announced today, including community composting awards that are headed to tribal communities.

3:37

So really excited about that. This latest grant application cycle was only open

3:43

to tribal communities and will be sharing additional details on that shortly. So thanks again for having me for this first meeting.

3:51

Really excited to see you all here today and to continue again the conversation and working with you all for whatever time that I'm in this role.

4:01

So with that, I'll turn it back over to Maria. Thank you. March is a big month for California's historic recycling overhaul

4:09

as we enter the formal rulemaking process and two significant reforms, Deputy director

4:14

of the Division of the Circular Economy, Zoe Heller, joins us now with updates. Good morning, Zoe. Morning, Maria, and good morning, everybody.

4:21

So as Krystal said, we're very excited to announce that SB 54, the plastic pollution Prevention and Packaging Producer Responsibility Act

4:29

permanent regulations were submitted to the Office of Administrative Law on February 27th and published

4:36

in the California Regulatory Notice Register on March 8th. The 45 day comment period ends on April 23rd,

4:43

when CalRecycle will host a hybrid public hearing for additional comment. The SB 54 Advisory Board met earlier this month

4:51

and they plan to meet again for two meetings in April. Sign up for the SB 54 listserv for implementation updates

4:59

and all important dates coming up. So switching gears over to SB 1013,

5:05

the SB 1013 California Beverage Container Recycling and Litter Reduction Act, permanent regulations

5:12

pertaining to dealer cooperatives and dealer registration were submitted to the Office of Administrative Law on March 4th

5:19

and published to the California Regulatory Notice Register on March 15th. Starting January 1st, 2025,

5:26

retailers in areas with no recycling centers will have the choice to either redeem in store or join a dealer cooperative.

5:33

As SB 1013 removes the option for retailers to pay \$100 a day fee instead of redeeming.

5:40

We really appreciate the feedback we've received during the past informal workshops for both SB 54 and 1013, and we've taken those comments

5:48

into consideration for the regulations that you all are reading and hopefully commenting on now.

5:55

You can submit your written comments on dealer registration and proposed dealer co-op regulations by April 30th.

6:02

Or join us for our public hearing on April 30th here at the CalEPA Headquarters.

Register online to participate remotely.

6:10

And then moving on to AB 2440, our responsible Battery Recycling Act.

6:16

This law requires producers either individually or through a stewardship organization to safely collect and recycle loose batteries.

6:24

We're hosting a public workshop on April 3rd at 10 a.m. here in Byron Sher to gather feedback on draft regulatory concepts.

6:32

Join us in person or register to join remotely and sign up for Cal Recycles Battery Stewardship LISTSERV to receive periodic updates about the program.

6:42

Back to you, Maria. Next on the agenda, over half million dollars in community composting grant awards for tribal communities in California.

6:50

But first, let's watch a quick video showing how the community Composting for Green Spaces grant program

6:56

helps cut climate pollution, strengthens local economies and feeds people in need.

7:03

Neighborhood by neighborhood Californians are fighting climate change by recycling their food scraps

7:09

at community gardens as small scale composting sites like this one in San Diego.

7:14

This was all onion peels and citrus peels and eggshells. What would otherwise go into a landfill, we're able to turn it

7:21

into a beautiful soil. The homes regenerate our lands and helps grow food for the community.

7:26

With \$1.5 million in support from CalRecycle's Community Composting for Green Spaces grant program,

7:33

previous recipients added 117 new neighborhood composting sites, planted nearly 500 trees to provide shade and real food in underserved communities,

7:43

and kept 5500 tons of food and yard waste from creating methane in landfills.

7:48

Cutting climate pollution equal to taking nearly 600 cars off the road. We're also actually healing our environment.

7:55

Many more sites are expected in the coming years with \$4.7 million in additional funding for neighborhood compost ers.

8:02

I want to do the best that I can. We take those nutrients and put them back into the soil here. The benefits don't stop there.

8:08

We can manage the soil. We can build community around it. Just like you see, when an individual is able to see their banana peel turn back.

8:17

Into a good quality compost that nurses our soil. They see for themselves how it completes the cycle.

8:23

We feeling really hopeful as the next round of community composting grants roll out to more communities

8:28

and tribes. California is building new infrastructure and modeling new pathways for the state's waste free future.

8:36

Anybody can compost. Everybody should compost because it is easy. It is possible, and it is a way that you as an individual

8:43

can feel connected to being part of the solution.

8:50

Deputy Director Zoe Heller has the Grant Award announcements. So today we're very excited to announce \$510,000 for eight community

8:59

composting projects on lands that are under the ownership, management or stewardship of tribal communities in California.

9:06

The minimum award for grant Cycle three is \$25,000, and the maximum award is \$100,000 for a single applicant.

9:14

These projects will increase the ability of tribal communities to operate small scale composting operations.

9:22

Next on the agenda is our Farm and Ranch cleanup grants. Nearly \$84,200 in Farm and Ranch Cleanup Grant Awards

9:31

were given to Contra Costa County Resource Conservation District and Tulare County to clear not orchards and other sites.

9:38

More information is linked on today's agenda. Since 1997, cattle recycle, farm and ranch clean up grants have helped more than 1000

9:46

sites of illegally dumped tires, vehicles, construction, debris or other trash.

9:52

As a reminder, we have several grant program applications due next month for the farm and ranch cleanup waste hire, cleanup

10:00

and beverage container Redemption Innovation grant programs. We continue to accept application for our greenhouse

10:06

gas reduction loans and recycling market development zone loans. Year round.

10:15

So moving on to carpet, I have a carpet stewardship program Update CalRecycle received CARE's Revised Contingency Plan Amendment and Training

10:23

Guide on February 5th, in response to the notice of disapproval signed by CalRecycle's director on December 5th, 2023

10:31

CalRecycle must approve conditionally approve or disapprove CARE's Revised Contingency Plan Amendment by April 5th.

10:39

The Department's decision will be announced at the April public meeting, but you can also sign up for the carpet stewardship listserv for an update

10:46

on the decision. Back to you, Maria. CalRecycle has upgraded

10:51

its public comment intake system, making it easier to submit your comments. Here's how.

10:58

California wants your input on. Recycling and trash pollution issues. Join CalRecycle's decision making process by making a live public comment

11:05

on any of today's monthly public meeting Agenda items in person. Or by phone. Microphones are available for those of you in the room with in person comment.

11:13

If you're joining remotely, you can call in with your comment. Just click the public meeting banner at the top of our website, then click the public comments button.

11:20

Step by step caller Instruction. We will address live public comments at the end of the meeting.

11:29

A heads up about an upcoming workshop for Covered Electronic waste recycling program. We want to hear your thoughts about possible changes to the covered

11:37

electronic waste, recovery and recycling payment rates every year. CalRecycle has the responsibility to consider and determine the recovery

11:45

and recycling payment rates necessary to fund on average to cover electronic waste collection and recycling industry.

11:53

Joining us here in person or registered to participate remotely on April 8th at 10 a.m.

11:58

for staff analysis of net cost information and provide recommendations about payment rates

12:06

moving on, CalRecycle is required to review and approve or disapprove each countywide

12:11

Integrated Waste Management Plan five year Review report. The county of Santa Clara submitted a five year review report concluding

12:20

no revisions to the county's planning documents are necessary at this time. This item was approved.

12:26

CalRecycle also approved two contracts as we work to keep more tires out of our landfills and our environment,

12:34

you can find the proposed scope of work for the evaluation of the State of Waste Tire Rubber Diva Organization Technologies Contract linked to today's agenda.

12:44

We have the green light to work with the University of Houston on this project, with a contract amount limited to \$425,000 on top

12:52

of producing a report on the current state of waste tire recycling. The contract will explore the vulcanization of waste tire

13:00

rubber techniques and refuse or sorry and reduce the research

13:05

may help reduce dependence on virgin rubber and slash energy and carbon emissions associated with rubber production.

13:14

The contract is anticipated to begin in May 2024 and end in June 2026.

13:21

The next item is the second approved contract, and that's for the scope of work

13:27

for the environmental impacts of the use of tire derived aggregate. And so civil engineering applications

13:33

and rubberized asphalt concrete state of knowledge. The \$98,500 contract with the Cal State Poly

13:43

Technical University of Humboldt will assess the environmental impacts of using tire derived aggregate in civil engineering projects,

13:51

as well as waste, tire chrome, rubber and rubberized asphalt concrete projects.

13:56

Study findings will be included in two reports and will help find ways to minimize possible environmental impacts.

14:04

The contract is anticipated to begin in May 2024 and again end in June 2026.

14:12

Next on the agenda, waste Permitting Compliance and mitigation. Director Deputy Director Mark De Bie is here with an announcement.

14:20

Good morning, Mark. Good morning, Maria. Thank you. Each spring, CalRecycle's tire program shifts unspent

14:26

funds from the current fiscal year into grants or activities that were identified needing additional funding.

14:33

This fiscal year, there is a \$3.2 million available for reallocation purposes.

14:43

517,973. I paused because I wanted to get it right.

14:49

Will be directed to fund 13 jurisdictions on the B list for the local government waste tire amnesty grant program.

14:58

100,000 will be used to fund the waste tire hauler Compliance Manifest System to assist with implementing

15:06

an electronic mobile manifest system that was approved through Senate Bill 1181

15:14

and \$190,936

15:19

will go into a contract for California Pavement Research Center

15:24

for a Rubberized Technology in Enfield study.

15:29

The remaining funds will be will go back to the Maine Tire Fund.

15:39

I want to continue on in the tire theme here and also let everyone know that the five year

15:46

plan for waste tire recycling Management program, the 12th edition

15:52

covering fiscal years 2324 through 2728 has been published on the department's

15:59

website site and it can be accessed via the publications catalog.

16:05

And moving on to solid waste as well as tires, We'll now see a video about solid

16:13

waste, entire facility permits and emergency waivers. And there's going to be an overview of California facility standards

16:22

and then the update on where we're at with some of the permits.

16:33

Protecting the health of Californians and their land, food, water and air is a big job.

16:39

Local, state and federal agencies play different roles to enforce public health and environmental safety standards.

16:45

In California, solid waste local enforcement agencies, process applications issue and enforce permits for solid waste facilities.

16:54

These include landfills, transfer stations, compost facilities, or similar operations.

17:00

CalRecycle must verify permits are consistent with state requirements.

17:05

Permits can only address areas within the authority of local enforcement agencies and CalRecycle.

17:11

Check out the link below for more detailed information. Emergency waivers allow temporary changes to solid waste

17:18

permit requirements in response to local or state disasters. Local enforcement agencies may approve the waivers

17:25

which are good for up to 120 days and may be extended. Power cycle must review approved waivers

17:32

and can condition limit, suspend or terminate them. Check out the link for more detailed information.

17:39

For waste hire facilities. How Recycle processes, applications, issues and enforces waste hire permits.

17:47

These include requirements to make sure tires are stored and processed in a way that reduces potential threats

17:53

from fire and disease carrying vectors like mosquitoes. Check out the link for more detailed information

18:05

for San Bernardino County. The department agreed with the local enforcement agency

18:10

and concurred on February 20th, 2020 for a revised compostable materials handling facility permit for one stop landscape supply.

18:20

Action was needed April 5th, 2024.

18:29

New to this month's agenda for Riverside County as else apparently landfill.

18:35

This is a modified solid waste facilities permit. Action is needed. April 22nd, 2024.

18:43

Limited review of the permit package indicates the following proposed changes

18:48

updating the name of the operator and owner, correcting the existing maximum depth

Updating the estimated closure year

18:57

and updating the following sections of the permit. The findings section,

19:02

the documents that describe and or restrict the operation of the facility section, the self monitoring section,

19:09

and the local enforcement agency conditions. For Los Angeles County, Southern California

19:16

Disposal Company and Recycling Transfer Station. This is a modified solid waste facilities permit action is needed.

19:25

April 27th, 2020 for preliminary review of the permit package

19:30

indicates the following proposed changes updating the address of the facility

19:36

and updating the following sections of the permit. The findings Section, the prohibitions section.

19:43

The documents that describe the operation of the facility section, the self-monitoring section, and the local enforcement agency conditions.

19:52

For the City of Los Angeles, CWS DTLA

19:57

Material Recovery Facility and Transfer Station. This is a modified solid waste facilities permit action is needed.

20:05

April 27, 2024. When a review of the permit package indicates the following proposed changes

20:12

updates to the legal description of the facility section Finding Section documents that describe and or restrict

20:20

the design and operation of the facility section self-monitor Shereen section and the local enforcement agency condition.

20:37

You can find more information on any of today's agenda items. Just go to CalRecycle's home page and click on the public meeting Web banner.

20:45

The one at the top of the home page. If you're watching this live or halfway down the home page at any other time for a link to the agenda and associated public notices,

20:55

now's the time for public comments. First, we'll take any comments that may be happening

21:01

from anyone present in the room, and you can use the microphone up to my left.

21:07

It doesn't look like we have any.

21:14

And then we'll take the. After this, we'll take the calls coming in and make sure to meet your microphone

21:20

if you're calling in.

21:33

Good morning, Jeff Dunleavy with Ming's resource, East Bay and Ming's recycling here in Sacramento.

21:39

Acting director us here to welcome. Definitely a exciting time in the program.

21:45

A lot of changes. What I'm not seeing, though, is any new recycling centers opening in Northern California

21:51

or any indication that any co-ops are going to form in northern California.

21:57

Currently, California has 6141 redemption locations in California.

22:03

But all we really hear about are the 1250 recycling centers.

22:08

There's 4891 stores that are willing to take back an unlimited number of CRV containers.

22:16

It's just very difficult to find on the website. One of the things I've been asking for, and hopefully we can do this

22:23

pretty quick, is combine the recycling center list with the in-store take back list on the website.

22:29

So when somebody types in their zip code, all the redemption locations show up.

22:34

That way we can start promoting people going to the in-store locations, especially in the unserved areas like Northern California.

22:42

I know it can be done pretty quick. It doesn't need legislation or regulation. So I'm asking for that support again.

22:50

Yeah, the draft co-op regs that came out last week pretty extensive.

22:55

I saw some of the comments from the prior informal process were accepted, which was great,

23:02

but what I didn't see was the Department clearly defining a new comparable

23:08

insufficient standard as identified in SB 1013

23:14

because the zones have quadrupled in size and staff is pointing back to 14 571.

23:21

I believe that just says there needs to be a recycling center open for 30 hours.

23:26

But that was when the zones were 0.7 square miles. Now the zones are 3.1 square miles.

23:34

So I would ask the department to look again and expand what a new, comparable, insufficient

23:41

and convenient redemption system looks like for the consumers and not just go back to the status quo because 1013 changed the rules.

23:50

And it looks like they asked staff to define a new, comparable and sufficient because the same 30 hours

23:58

was good for point one, 4.7 square miles, not four, 3.1 square miles.

24:04

So we've quadrupled in size within the program.

24:10

You know, I've gotten up here before saying we want compliance. And I think the department all looks for compliance.

24:17

We all know that if we short pay a consumer, that would be a big violation.

24:23

Nobody wants to do that. But what's happening on a daily basis is recycling centers

24:29

of being short paid by the department because the account system doesn't work.

24:34

We've got to show and tell here.

24:40

So we have the new wine spirits that have come into the program. Several recycling centers have delivered those to our facility,

24:48

and 60% of them have been underpaid. So they're giving out quarters for these and they're getting back

24:55

nickels and dimes. So they're being short paid every time they accept these from consumers.

25:01

It's something that we can fix pretty quick.

25:17

I got 50 PET bottles in here, water bottles. The engineers that produce these are fantastic and smart and they're getting lighter and lighter.

25:26

These 50 water bottles will get a consumer 50 nickels or \$2.50.

25:33

But this bag right here weighs 1.2 ounces.

25:38

So that means the recycling center is eligible to get a dollar 60 back.

25:44

So every time a consumer comes in, buy count for these 50 containers, they're getting shorted \$0.90.

25:52

There's no way to get that back.

26:00

Department staff actually instructs recycling centers to violate weights and measure laws by splitting loads.

26:07

We're not supposed to do that. Consumers are very smart with the count and they know they're getting lighter and they know the per pound

26:16

segregated rate is not correct. So many consumers come in, they bring in 50.

26:23

They walk off the property. They come back in with 50 more, walk off the property, come back in, get 50 more.

26:30

CalRecycle says that's allowed. Weights and measures, I think would look differently that that is splitting the load.

26:38

There is a solution to this. It can be done administratively. It's a math formula within the doors.

26:44

Redemption system. I presented it to staff and I hope we could look at this pretty quick

26:50

because where this really applies is you guys are advertise in 40 million for the innovation grants for our vrms and bag drop systems.

27:00

Those are per count programs, per count programs will lose 5 to 10%,

27:07

maybe 15% of their CRV, because the per counterweight formula is incorrect.

27:15

So anybody that's looking at starting a per account program with our vendors or backdrop, they need to realize they're walking

27:22

into a five or ten, possibly 15% loss of CRV revenue.

27:29

Las Vegas was built on the casinos, making 3 to 5%

27:35

of money wagered, and they built that entire city on just losing or on on the gamblers losing a small percentage

27:45

with this per count system. Everybody that's applying for the innovation grants,

27:53

there's a lot of carrots there. And I've described it that the carrots are hanging over a trap

27:59

because the per count system needs to be fixed and it can be fixed administratively.

28:04

It just takes some programing. So asking for help there. Otherwise, the grants that are going to go out will probably hurt more people.

28:13

And then three, four or five years later, we'll be trying to figure out what happened to the program when it was supposed to grow and get better.

28:22

It might just get worse.

28:29

Talked about adding new new material to the program. That means more glass, more petty.

28:36

I didn't see the co-mingle rates go up. That's something that needs to be done by law to pay all the program participants

28:43

their fair share of the CRV that's in there, mixed material. So the curbside programs, collection programs.

28:51

There's more glass, that CRV, there's more PET here than CRV. So the CRV rate should be changed, I believe by statute.

28:58

They're required to be changed every April 1st.

29:05

With that, I'm also asking the department to look at a co-mingled rate going into 2025

29:12

because we don't want to be overpaying for material. And then a lot of material will not be labeled when we get into 2025,

29:19

which could be a problem for the recycling centers. I think that would require legislation

29:25

because it was taken out asking to put it back in. But with that

29:30

wine bottles, consumers are going to put a dime down as a deposit and the average wine bottle is 1.8 to £2.

29:38

So they're going to put down a dime and they're going to get back \$0.20. Pretty good return if they do it on the per pound system.

29:47

One of the things that I'm suggesting as we look at the Hawaii program, where they have a small bottle rate and a large bottle rate,

29:54

so we're not going to overpay for the wine bottles or the liquor bottles that are in the program,

30:01

just like we don't want to underpay the consumers. We don't want to overpay them either. So that would apply to the cominco rates as well.

30:09

Last thing, certification continues to be a concern as far as where sites are getting permitted.

30:16

Last week or two weeks ago, we all saw the announcement about \$140 million settlement with the facility here in Sacramento.

30:24

Everybody asked me about it and I'm like, it's kind of old news. But as soon as that site passed the five year

30:32

period, they were recertify as a processor. But worse, they were recertified as a recycling center 200 yards

30:40

away from another recycling center who had done absolutely nothing wrong.

30:45

I do want more recycling centers in the right area. We don't need to put them right next to each other.

30:51

I'm getting word from some friends down in Southern California that recycling center is being permitted or certified

30:59

ten feet away from an existing site that's been there for ten years and that person will lose their handling fees

31:07

in the way that the zones have expanded and the overlapping zones to other sites are going to lose handling fees.

31:15

Yes, we need more recycling centers, but we don't need them right next to each other. So I would hope CalRecycle could use their discretion in their judgment

31:24

not to certify sites that are right next to each other that will cause financial harm to another site.

31:30

So, again, welcome to the new position. Look forward to helping any way possible.
Thank you.

31:42

Thanks, Jeff. There was a lot there, so we'll definitely be continuing to have conversations.

31:48

I think we also have a meeting set up, so hopefully we'll be learning more from you on some of those concerns.

31:53

And then I think on the 1013, just want to make sure that you submit comments that I know that you shared here

32:00

through our formal process as well, so we can make sure that those are included and evaluated as we're looking at the regulation.

32:05

But thanks for. Thanks for your comments. Do we have another comment in the room?

32:17

Good morning, CalRecycle team. Good to see you all. My name is Martin Narrow.

32:23

I am the CEO and co-founder of Recycle Tech. We provide an aim to provide AI powered bulk orvms

32:31

with integrated backdrop to our and dealers. Additionally, we are currently operating

32:38

a counter-cyclical pilot program in Cupertino and are pleased to announce we will be expanding into Sunnyvale on April 2nd.

32:46

So very excited there. I'm here today because I'd like to share a few key takeaways that we've learned

32:52

over the past three years deploying bulk premium systems.

32:57

First are some findings that we've learned from our customers that we're servicing at the pilot location.

33:04

Number one, a lot of the customers that come up to utilize our system tell us that they really appreciate using a company's system

33:11

because they're able to easily correlate the amount of containers they're recycling to the amount of money that they're earning.

33:18

One small container equals \$0.05. One large container equals \$0.10. It's very simple for them to understand weight based program.

33:26

It's a little bit more complex. Also, they also appreciate how a bulk

33:32

RBM could handle hundreds of containers within a given minute versus traditional or VMs or single feed and leads

33:40

to a slower process to get their money back for CRV on top of dealing with the customers.

33:47

We've had experience talking to a lot of different redemption centers all across the state of California.

33:54

A few of the findings that we've learned there is that bulk RV systems have the ability

34:00

to help redemption centers reduce their labor costs. This could happen by implementing a self-checkout model.

34:08

So if you're familiar with how Home Depot or some of the food stores have a self-checkout center, you could now have one employee as a gatekeeper

34:18

directing customers to multiple of these bulk RBM systems, allowing them to process more customers.

34:25

Additionally, they have the ability to comply with regulations and reduce fraud, utilizing these systems

34:33

as the material flows through a bulk RBM system. They could use AI vision to understand what

34:39

items are CRV and what items are not CRV, which is something that's very beneficial to these different centers.

34:47

However, there are some concerns that I would like to address today first.

34:53

Redemption Centers are risk of losing CRV payments because of the count to weight variance, which Jeff had brought up earlier.

35:02

This is something that we would like to work with. CalRecycle on addressing to making the system more sustainable,

35:07

more economically sustainable. One question that I would like to pose to cover cycle is do we have a timeline

35:14

for resolving these count to weight discrepancies in CRV payments?

35:20

This is something that we could talk about after the rest of the comments. Another question or a point that I would like to make

35:27

is that many redemption centers are currently concerned about introducing single feed RV ends with limited capacity in unserved zones,

35:37

which would change the zone from unserved to served. But because it is a single feed system, it is limited to the amount of material

35:46

that could be taken back inside of that zone. So a question I would like to pose the cover cycle is, are we planning?

35:54

Is there a plan on how to scale CRV buyback to meet the demands of his own?

35:59

Or are there a volume of containers that have to be accepted inside of the zone in order for that to be considered served?

36:08

And these are some of my comments and questions that I had today. Krystal, welcome.

36:13

And I would just like to thank our cycle for the time of hearing our public comments.

Thank you.

36:19

Thank you. And thanks for providing those comments. Appreciate it.

36:24

Are there any more comments in the room? Okay. So now we will go to our online public comments and.

36:32

Again, if you are calling in, your microphones will stay muted until you're called on for the last four digits of your phone number.

36:40

Once you're called on, please mute your computer sound before you start speaking to avoid an echo.

36:46

Lance, are you ready? Yeah. We have three callers. First caller with the last four digits.

36:52

9942. You can go ahead and unmute your microphone and provide your comment whenever you're ready.

37:04

We'll give them a few seconds here and I'll move on to the next person.

37:10

Hello? Can you hear me? We can go ahead. Hello, Good morning and welcome.

37:17

Director Acierto. My name is Nadia Emery of Recycling Innovations,

37:22

and I'd like to draw your attention to a proposed new recycling center that is planning to open ten feet from our recycling innovation site

37:31

at eight for five for repeatable of art. Our site has been open for ten years,

37:38

37:47
serving the community in the Northridge and Van Nuys area. There are close to 70 recycling centers in the 90 square mile area.

37:54
There are sufficient recycling centers for everyone to recycle. Los Angeles County and our area

38:01
has a retention rate of over 80%. If this new site opens, all the other recycling centers

38:08
could be hurt financially, making all other sites less profitable.

38:17
Innovation. We'll lose our handling fee payments, increasing our costs and possibly clogging our site or others like the clothes.

38:28
We have worked tirelessly during this decade to protect our recycling operation and do not deserve to be put at imminent risk of closure.

38:38
The proposed new site will not increase convenience to consumers. It will harm the existing recycling centers, causing harm to the program.

38:43
Section 14501f of the bottle bill states.

38:49
The purpose of this division is to create and maintain a marketplace where it is

38:55
profitable, profitable to establish efficient recycling centers and locations

39:00
to provide consumers with convenient recycling opportunities

39:08
for the department to approve and certify additional recycling centers, especially ten feet away from an existing recycling center

39:19
that has been operating for ten years, does not help the program. It hurts the program and makes other recyclers in the area less profitable.

39:24
The department has the duty, authority and responsibility

39:33
to deny applications for new recycling centers in areas that already have sufficient recycling opportunities for consumers.

39:40
I ask for your consideration and support and compliance with the intent of the bill.

39:53
Please find a solution to situations like this.

40:01
All right. Thank you for that. Any comment from the panel?

40:06
I actually just missed that caller's name, if I could get that again.

My name is Nadia Amery, a recycling innovation. Okay.

40:11

Thank you so much for your comment. Thank you so much. And then next, we're going to have a caller with the last four digits, 0392.

40:20

I'll go ahead and ask you to unmute. And then when you're ready, you can state that who you're with and make your comment.

40:28

Good morning, CalRecycle team. My name is Susan Collins and I'm the president of the Container Recycling Institute.

40:34

Last month I gave a comment to talk about the errors in the governor's budget in the section on the beverage container recycling fund, a number 133.

40:42

Fund balance listed in the governor's budget is only 538 million. For June 30th, 2023,

40:49

however, the same fund balance is accurately reported and Cal recycles report to the State Comptroller's office as 830 million,

40:59

which is a difference of nearly \$300 million. And that was the financial report that was signed

41:05

by the director and prepared by the Accountants of CalRecycle. There are also many other errors line by line in the governor's

41:13

budget reporting of the prior year financial statement. It's my understanding

41:18

that a legislative budget committee will be voting on these numbers this week and that they are perhaps unaware of this \$300 million error.

41:27

The accurate reporting of the budget both past year caution and forecasting is critical to the ongoing financial health of the beverage container program.

41:37

My I have two questions. The first is what has CalRecycle done to inform the legislature of this error in the governor's budget.

41:45

And the second question is what has CalRecycle done to work with the Department of Finance

41:51

to correct their reporting of the CalRecycle financial statements? And I'd like to also extend my congratulations

41:59

and welcome to the acting director. Thank you very much.

42:04

Thanks, Suzanne. Really appreciate it. So I will just say in terms of kind

42:10

of the governor's budget and what we internally are evaluating as far as far as the BCR, a fund balance

42:18

kind of standard governor's budget process is to go through reconciliation with the Department of Finance through the fall.

42:24

As indicated in the governor's budget. We were not able to fully reconcile the fund balance

42:31

with the Department of Finance. And so that was indicated publicly the in the governor's budget.

42:37

Having said that, kind of through standard budget process, we're continuing to work with the Department of Finance on reconciling the fund and understand

42:45

that what was put out publicly, again, was not fully reconciled. And so we are working through that diligently with the Department of Finance

42:54

and even based on kind of preliminary reconciliation, understand that there is a concern with

43:01

some of the proposals that are out there for general fund solutions. So, as you likely know, there was a \$100 million

43:09

that was included as a general fund loan last year from the fund. That loan included language that essentially said

43:17

that the loan would be repaid back immediately in the event that that loan could potentially impact program expenditures.

43:24

And based off of our preliminary reconciliation with Department of Finance, we've determined

43:30

that that could potentially have impacts to program expenditures. So we've already worked with Department of Finance to repay that \$100 million loan

43:37

so that that funding is already back into the balance of the fund over the next several weeks

43:44

and months as we head into May revision. As I mentioned, we'll continue to work on reconcile reconciling the fund

43:51

with Department of Finance that will include a reevaluation of the general fund loan included in the governor's budget, the 125 million.

43:59

At this point, it's too soon to tell whether for sure that's going to be pulled back. But again, preliminary indications

44:07

do suggest that that might potentially have programmatic impacts. And in that event, we would not be moving forward with that.

44:15

So, again, too soon to say anything on that. And we'll be continuing to work through the department

44:20

with the Department of Finance over the coming weeks and expect that we'll have a reevaluation done more formally as part of my revision.

44:27

But really appreciate your comments. Obviously, this is really important fund

44:32

that supports a lot of really important activities. And so we'll continue to monitor that closely,

44:38

both internally as well as with the Department of Finance and so all of this has been shared with the legislature.

44:44

I know we've got a hearing tomorrow where we expect this may come up, and so we'll be sharing this information again with with folks tomorrow

44:53

through that process. But appreciate your interest in this. And hopefully that provides a little bit of clarity on where we're at.

45:00

Thank you. On the final caller, last four digits, 6607. I'll go ahead and ask you to unmute and then you can state who you are,

45:08

your affiliation and proceed with your comment.

45:14

You mean. Yes, we hear you. Hello.

45:19

Right. Like to congratulate the acting director associate.

45:26

My name is Leonard Lange. I have been in the program since the beginning,

45:31

something that Kepler four and I are not the only two who can say that.

45:37

I, in the past week have received a number of calls about recyclers

45:44

going to lose their handling fees because somebody else is going to move into the zones.

45:50

In the case where the lady spoke before me. Six recycling centers would go out of business

45:58

and be replaced by one if that were permitted. Now, as anybody at the department can say,

46:05

I believe in following the regulations. I think the issue here is in the readiness plan that

46:13

this recycler is going to immediately open up and have six competitors in close proximity.

46:19

And then finally, it's my understanding that the recycler is not permitted by the city of Los Angeles.

46:26

And once they go operational, they have five days to send a an affidavit

46:33

signed under penalty of perjury that they have all their permits. So I would hope the Department would look to those issues.

46:41

Secondly, the grant program is I'm getting a lot of calls about people wanting to get involved with the grants.

46:50

It's my belief that the the grant,

46:56

the grant granting system should be adopted in regulation.

47:02

Does the department intend to adopt those grant regulations?

47:13

Hi, Leonard. Thank you for the question. No, we do not intend to for the redemption innovation Grant.

47:27

Okay. I'm sorry. I did not hear that response because the the system was telling me

47:34

that I muted while you were responding. So could we repeat that?

47:40

Yes. And I'll take a beat before I respond. Okay. No, we do not intended develop regulations for the Redemption Innovation

47:48

Grant program. Okay. Good to know. Uh,

47:56

another issue, and it was brought up earlier, um,

48:03

the press release that went out on the recycling fraud for 140 and a half million dollars.

48:09

Uh, I have some familiarity with that, uh, that situation. I've read the accusation.

48:16

This was a processor in Sacramento that over its five years of existence, was paid

48:22

approximately \$80 million to reimburse recyclers. So that money ends up with recyclers.
So

48:31

can you find out for me how they expect to collect 140 million

48:37

from people who were never even paid 140 million and certainly didn't make 140 million.
48:48

I appreciate that. No need a response right now. The regs do say statute says that
48:55

the department has to be realistic and consider the ability to pay. So I would throw that
in.

49:03

Last but not least, Susan Collins brought up the issue of the governor's budget.

49:09

The governor's budget noted that loans were coming out of the beverage container
recycling program fund,

49:18

and in the past, that has not worked out well for recyclers. Is there anything you can do
to prevent those loans from hitting the fund,

49:26

especially when the grants go out and we'll be depleting the fund?

49:32

And I'll turn it back to you. Thanks, Leonard. As I mentioned, we are actively monitoring
the balance of the fund,

49:40

and I completely agree with you about the importance of these funds and make making
sure that we have a healthy balance.

49:46

So as I mentioned, we've already worked with Department of Finance. When we are
coming out of the

49:54

recycling program, find all that worked out well.

49:59

So I think that's just a delay. Otherwise you have the magic of repeating exactly

50:05

word for word, which I can't remember what I said 30 seconds ago. So. So anyway, as I
mentioned, we're already working with Department of Finance

50:13

and we've already repaid the \$100 million loan from last year. And I agree with you.

50:19

The what I will just say again is that those loans include language in them that
specifically prevents them from having programmatic impacts.

50:28

We would be immediately Department of Finance would be on the hook for immediately
repaying those loans

50:34

in the event that they would have a programmatic impact. So we're monitoring that very closely and as I mentioned, is a top priority for

50:41

for me and for the department to make sure that we can avoid any impacts there.

50:47

Of course, these loans go forward because the state's obviously got a larger issue with General fund deficit.

50:54

And so we definitely want to be team players as part of the administration. And so we have those conversations.

50:59

But as I mentioned, it's a top priority for us to make sure that we're not moving forward with things that could have a negative impact on the program.

51:07

So I appreciate your comments. Uh, that comment and your other comments.

51:12

Leonard, Thank you. Is that all the callers? That's. That's it. Okay.

51:20

Thanks to everyone who participated today in our public meeting. And also you can find today videos from today and the recording

51:28

of the public meeting on our YouTube page. We will get those videos uploaded as soon as possible.

51:35

Thank you so much. Have a wonderful month and we will see you next month.

51:40

Bye bye.