



A G E N D A

OC WASTE MANAGEMENT COMMISSION

THURSDAY, SEPTEMBER 12, 2019 – 2 P.M.

Stanton Central Park Community Center

Multi-Purpose Room

10660 Western Avenue, Stanton, CA 90680

Chair – DONALD FROELICH, Fifth District

Vice Chair – CHRISTINE MARICK, Fourth District

First District

KIMBERLY HO
JUAN VILLEGAS
TRI TA*

Second District

JOE CARCHIO
ROB JOHNSON*
DAVID HARRINGTON

Third District

MIKE ALVAREZ
BETH HANEY
MARK NEWGENT

Fourth District

MEGAN MOSCOL

Fifth District

CYNTHIA CONNERS
JOE SOTO

OC Waste & Recycling Director – TOM KOUTROULIS

At Large Commissioner – DAVID SHAWVER*

*City Selection Committee Appointment

Welcome to the OC Waste Management Commission Meeting.

If you wish to speak on an item contained in the agenda, please complete a Public Comment Form identifying the item(s) and submit it to the Commission Clerk. If you wish to speak on a matter which does not appear on the agenda, you may do so during the Public Comment period at the close of the meeting. Speaker forms are available at the sign-in table at the back of the room. Speakers may be limited to three minutes.

The Orange County Waste Management Commission consists of 18 members. Nine members present constitute a quorum. In the absence of a quorum the meeting will be convened and adjourned, and no actions may be taken by the Commission.



Agenda Item 1 - Minutes of Waste Management Commission/ Local Task Force Meeting, June 13, 2019

Commissioners Roll (√ Indicates Present. Ex indicates excused absence.)

	<i>1st District</i>	<i>2nd District</i>	<i>3rd District</i>	<i>4th District</i>	<i>5th District</i>				
√	Kimberly Ho	√	Joe Carchio	√	Beth Haney		Vacant	√	Donald Froelich
√	Juan Villegas		Vacant		Vacant		Vacant	√	Joe Soto
√	Tri Ta*	√	Rob Johnson*	√	Mike Alvarez*	√	Christine Marick*	EX	Cynthia Conners*
EX	Bret Plumlee – <i>City Manager</i>					√	David Shawver – <i>At Large (Stanton)</i>		
√	Tom Koutroulis, OC Waste & Recycling Director								*City Selection Committee Appointee

Call to Order

Chairman Donald Froelich called the meeting to order at 2:08 p.m. The meeting location was OCWR Headquarters.

Pledge of Allegiance

The Pledge of Allegiance was led by Commissioner Joe Soto.

Roll Call

Roll call was conducted by the Commission Clerk. Two excused absences: Commissioners Plumlee and Conners

Chairman’s Report

Director’s Report

Director Koutroulis welcomed new commissioners and congratulated reappointments.
 Announced Board Resolution on organic waste management.
 Announced three NACo awards for OCWR – neighbor support portal, safety and composting pilot project.
 Encouraged commissioners to view OCWR’s [2018 annual report online](#) (click to view)

Clerk’s Action Item Report

No items from June meeting.

Agenda Item 1: Minutes of the June 13, 2019 Waste Management Commission/Local Task Force Meeting

Submitted as receive and file.
 MOVED: Commissioner Marick
 SECONDED: Commissioner Johnson
 ABSTAIN: Commissioners Carchio, Ta, Ho
 APPROVED: Yes

Agenda Item 2: OC Waste & Recycling Third Quarter FY 2018/19 Financial Report

Summary
 Total OCWR system tonnage received as of the third quarter of FY 18/19 was 3,829,861 tons, consisting of 2,393,613 in-county tonnage and 1,436,248 importation tonnage.
 As of the third quarter of FY 18/19, revenue recorded in OC Waste & Recycling’s Enterprise/Operating (Fund 299) was \$83,733,890 versus the modified revenue budget of \$146,998,240.

Expenditures and encumbrances recorded in OC Waste & Recycling's Enterprise/Operating (Fund 299) as of third quarter of FY 18/19 totaled \$85,829,719 or an approximate 53.6% of the modified expense budget of \$160,240,431.

As of March 31, 2019, the OC Waste & Recycling's Enterprise/Operating Fund 299 had a cash balance of \$188,120,798.

Annual report on capacity: 60 percent of total capacity still available; into next century.

Questions

Commissioner Shawver:

Requested more detail on taxes. OCWR pays \$1.40 per ton to the state.

In the budget are capital improvements reserved or categorical? Answer: reserved.

Mentioned how OCSD keeps reserved in sub-accounts to better ensure all funds are earmarked. .

Submitted as receive and file.

MOVED: Commissioner Soto

SECONDED: Commissioner Johnson

ABSTAIN: -

APPROVED: Yes

Agenda Item 3: Establish new subcommittee

Summary

Chairman Froelich requested establishment of a new Educational Outreach Subcommittee and requested nominations for the chair. Purpose is to share with Commissioners a deeper look into OCWR's strategies and plans for educational outreach and how the components work together and are being adapted to respond to new organic waste management legislation.

Commissioner Shawver nominated Commissioner Johnson as chair. Seconded by Commissioner Soto

APPROVED: Yes

Agenda Item 4: Subcommittee report

Commissioner Shawver gave the subcommittee meeting report-out.

Meeting held May 24, 2019. Discussion included SB1383. Cal-Recycle re-opened public comment process again. Also AB 901: Beginning July 1, 2019 anyone that collects, stores, processes, transfers or disposes of waste will be required to report those activities directly to the state and at each step of the way. This increases the burden on local governments and haulers. It intends to create more transparency in the post-collection side of the waste hauling business.

MOVED: Commissioner Johnson

SECONDED: Commissioner Marick

ABSTAIN: -

APPROVED: Yes

Agenda Item 5: Legislative and Regulatory Report

Notable bills of interest:

AB352 – would support rural communities when applying for grant money.

AB 619 – about bringing own utensils to restaurants

AB 792- require recycled material be used in bottles.

Submitted as receive and file.

MOVED: Commissioner Soto

SECONDED: Commissioner Johnson

ABSTAIN: -

APPROVED: Yes

Agenda Item 6: Report on AB 939 Surcharge-Funded Programs and Outreach

Staff presented video from Earth Day engagement event at dual-language school
Commissioner Shawver suggested booth at OC Fair. County no longer participates in the Fair.
Submitted as receive and file.
MOVED: Commissioner Soto
SECONDED: Commissioner Alvarez
ABSTAIN: -
APPROVED: Yes

Agenda Item 7: Waste Industry Presentation

“Status of Curbside Recycling – Global Impacts and Local Response” presented by Ted Smith of Potential Industries, Inc. Submitted as receive and file.
MOVED: Commissioner Johnson
SECONDED: Commissioner Haney
ABSTAIN: -
APPROVED: Yes

Agenda Item 8: Election of New Vice Chair

Commissioner Johnson nominated Commissioner Marick. Commissioner Shawver closed nominations.
Commissioner Marick selected.
MOVED: Commissioner Soto
SECONDED: Commissioner Johnson
ABSTAIN -
APPROVED: Yes

Commissioner Comments

None

Public Comments:

None

The meeting was adjourned at 3:40 p.m.



Agenda Item 2 – *OC Waste & Recycling’s FYE 18/19 Financial Report* ***Trang Doan, Budget & Finance Services Manager***

This report presents the financial status of OC Waste & Recycling for FY 18/19. Included in the report is financial information related to tonnage, expenditures, revenues, and cash balances.

System Tonnage

Total OC Waste & Recycling system tonnage received in FY 18/19 was 5,148,394 tons, consisting of 3,231,764 in-county tonnage and 1,916,630 importation tonnage. In-county tonnage has risen by 2% from last fiscal year. Importation tonnage has increased by 5.8%. By landfill site, FY 18/19 tonnage was as follows:

Olinda Alpha Landfill

In-county tonnage 1,207,851 (37%) of total in-county tonnage
Importation tonnage 928,388 (49%) of total importation tonnage

Frank R. Bowerman Landfill

In-county tonnage 1,597,264 (49%) of total in-county tonnage
Importation tonnage 866,937 (45%) of total importation tonnage

Prima Deshecha Landfill

In-county tonnage 426,649 (13%) of total in-county tonnage
Importation tonnage 121,304 (6%) of total importation tonnage

Revenues

For FY 18/19, revenue recorded in OC Waste & Recycling’s Enterprise/Operating (Fund 299) was \$154,832,126 versus the modified revenue budget of \$151,352,141. Primary sources of revenue received in FY 18/19 included:

- \$114,788,802 Disposal Fees & Services (74.3% of total revenue received)
- \$29,740,194 Operating Reimbursement from Importation (19.2%)
- \$4,582,150 Leases & Royalties (3.0%)
- \$4,132,977 Interest Income (2.7%)

For FY 18/19, revenue recorded in OC Waste & Recycling’s Capital Project Fund (Fund 273) was \$16,140,787 or 55.5% versus the modified revenue budget of \$29,100,000. Revenue received includes interest earnings of \$677,572 and transfers-in of \$15,463,120 from Fund 299. The primary source of revenue for Fund 273 is from internal transfers from OC Waste & Recycling’s Enterprise/Operating (Fund 299).

For FY 18/19, revenue recorded in OC Waste & Recycling’s Importation Net Revenue Sharing Fund (Fund 295) was \$54,262,753,156 or 100.2% versus the modified revenue budget of

\$54,151,000. Revenue received includes interest earnings of \$525,098 and importation tonnage revenue of \$53,736,956.

Expenditures

FY 18/19 expenditures and encumbrances recorded in OC Waste & Recycling's Enterprise/Operating (Fund 299) totaled \$ 109,660,427, 66.6% of the modified expense budget of \$164,594,332.

FY 18/19 expenditures and encumbrances recorded in OC Waste & Recycling's Capital Project Fund (Fund 273) was -\$4,097,517. This is due the capitalization of the completed capital projects during fiscal year-end 18/19. Actual spending on capital projects during the year was \$22,559,809 or 50% of the modified expense budget of \$49,085,517.

For FY 18/19, OC Waste & Recycling's major categories of expenditures were:

- \$44,218,166 Services & Supplies (31%)
- \$27,395,203 Salaries & Employee Benefits (19.2%)
- \$22,559,809 Capital Project (15.8%)
- \$20,488,866 Taxes, Fees, Assessments (14.4%)
- \$17,913,768 Importation Net Revenue Sharing (12.6%)
- \$8,778,759 Equipment (6.2%)
- \$1,310,550 AB 939 Surcharge Program Spending (0.8%)

Cash Balance and Reserves

As of June 30, 2019, the OC Waste & Recycling's Enterprise/Operating Fund 299 had a cash balance of \$199,479,615.

As of June 30, 2019, the OC Waste & Recycling's Enterprise/Operating Fund 299 had an available reserves balance of \$79,970,384.

Should you have any questions or would like additional information, please contact Trang Doan, OC Waste & Recycling - Budget & Finance Services Manager at (714) 834-4149 or at Trang.Doan@ocwr.ocgov.com.

Recommended Action: Receive and file report.

Attachments:

1. Summary Report – Fiscal Year End 2018/2019 Overview
2. System-Wide Tonnage Revenue – FY 2013/2014 to 2018/2019
3. Fund 299, Fund 295 and Fund 273 Revenue – FY 2018/2019 Actuals to Budget
4. Fund 299, Fund 295, and Fund 273 Expenditures & Encumbrances – FY 2018/2019
5. Cash Balances – FY 2014/2015 to FY 2018/2019
6. Financial Highlights for FY 2018/2019

OC WASTE & RECYCLING

Summary Report - Fiscal Year End 2018/2019

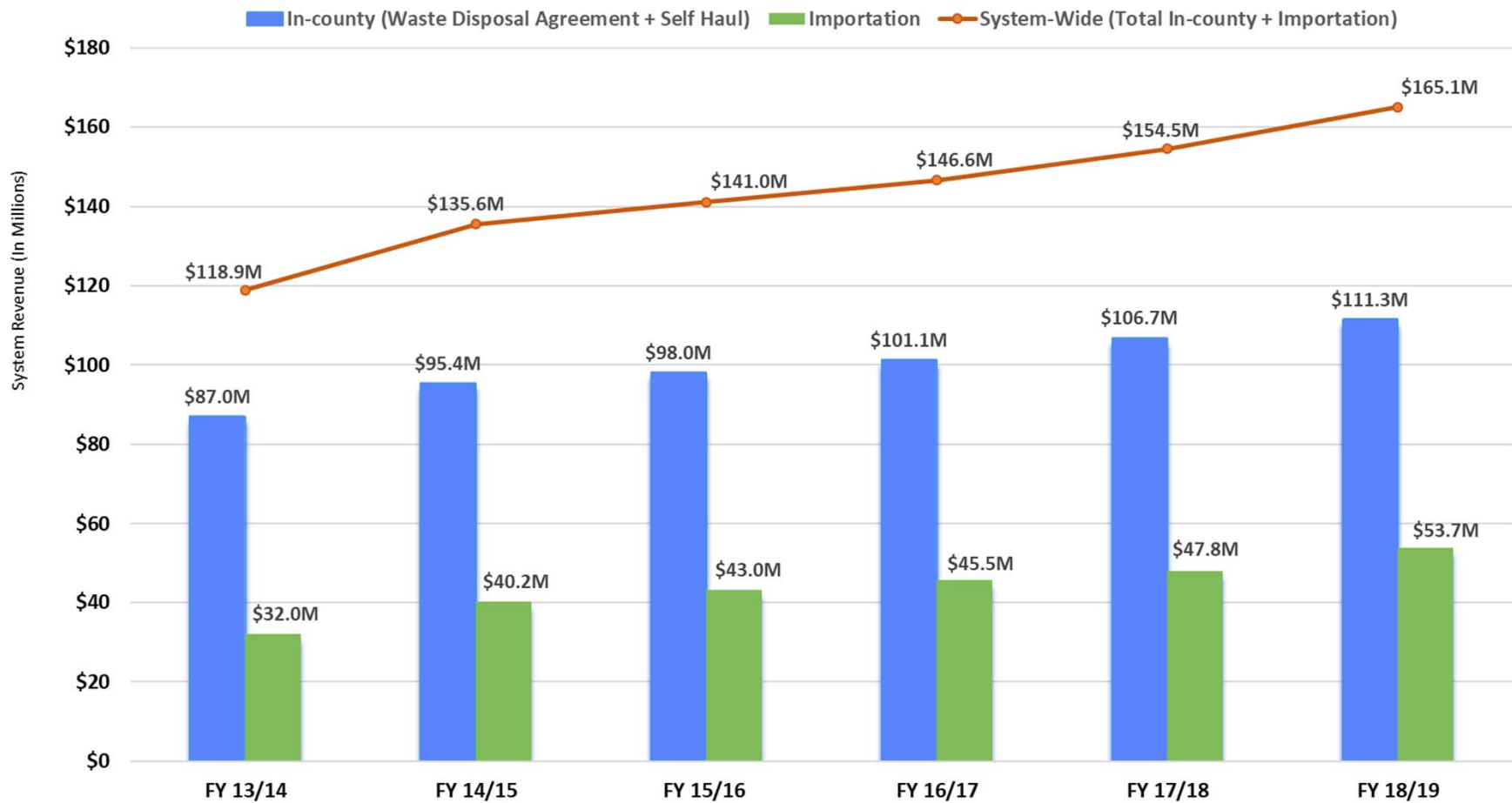
Fund 299, Fund 273, Fund 285 and Fund 295 Overview

	FY 18/19 Adopted Budget	FY 18/19 Modified Budget	FY 18/19 As of 6/30/19 Actuals	YTD Actuals (% of Modified Budget)
System-Wide Tonnage				
<i>In-County Tonnage</i>	3,075,270	3,075,270	3,231,764	105.1%
<i>Importation Tonnage</i>	1,788,057	1,788,057	1,916,630	107.2%
Total System-Wide Tonnage	4,863,327	4,863,327	5,148,394	105.9%
Enterprise/Operating (Fund 299)				
<i>Revenues</i>	\$ 146,998,240	\$ 151,352,141	\$ 154,832,126	102.3%
<i>Expenditures</i>	\$ 153,140,431	\$ 164,594,332	\$ 109,660,427	66.6%
Capital Projects (Fund 273)				
<i>Revenues</i>	\$ 29,100,000	\$ 29,100,000	\$ 16,140,787	55.5%
<i>Expenditures</i>	\$ 48,550,580	\$ 49,085,517	\$ (4,097,041)	-8.3%
Importation (Fund 295)				
<i>Revenues</i>	\$ 50,919,000	\$ 54,151,000	\$ 54,262,092	100.2%
<i>Expenditures</i>	\$ 50,919,000	\$ 52,788,903	\$ 52,753,156	99.9%

Notes:

1. Fund 299 Operating expenditures were lower than budgeted due to the reclassifying of capital assets during year-end process, and the underspending in some expenditure categories.
2. Fund 273 actual expenditures were negative due to the reclassifying of completed capital projects into Infrastructure during year-end process.

OC WASTE & RECYCLING System-Wide Tonnage Revenue (Excluding \$19 Surcharge) FY 2013/2014 – FY 2018/2019



OC WASTE & RECYCLING
Fund 299, Fund 295 & Fund 273 Revenue
FY 2018/2019 Actuals to Budget as of June 30, 2019

	FY 18/19 Modified Budget	FY 18/19 YTD Actuals (As of 6/30/19)	FY 18/19 Actuals % of Modified
System-Wide Tonnage Revenue (Excluding AB 939)	\$ 159,816,500	\$ 165,057,179	103%
AB 939 Surcharge Revenue	2,872,000	3,468,579	121%
Interest Income	2,104,000	5,335,647	254%
Leases & Royalties	4,689,000	4,582,150	98%
Other Revenues ^[1]	245,500	252,996	103%
Total Operating Revenue	\$ 169,727,000	\$ 178,696,551	105%
Internal Transfers (Transfers between OCWR Funds)	64,876,141	46,538,454	72%
Transfers-in from Other Funds	4,800,000	-	N/A
Total Revenue	\$ 239,403,141	\$ 225,235,005	94%

Note(s):

[1] Other Revenues includes: Licenses, Permits & Franchises; Forfeitures & Penalties; Intergovernmental Revenues; Other Charges for Services; Capital Asset Sales; and Miscellaneous Revenues.

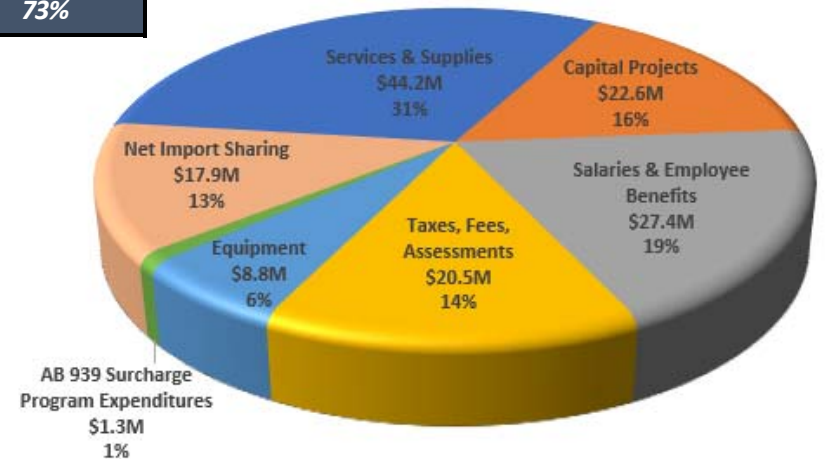
OC WASTE & RECYCLING

Fund 299, Fund 295 & Fund 273 Expenditures and Encumbrances FY 2018/2019 Actuals to Budget as of June 30, 2019

Expenditure Category	FY 18/19 Modified Budget	FY 18/19 Actuals	FY 18/19 % of Modified Budget
Services & Supplies	\$ 67,527,700	\$ 44,218,166	65%
Capital Projects	\$ 44,260,000	\$ 22,559,809	51%
Salaries & Employee Benefits (S&EB)	\$ 29,359,431	\$ 27,395,203	93%
Taxes, Fees, Assessments ^[1]	\$ 23,818,300	\$ 20,488,866	86%
Equipment	\$ 11,819,500	\$ 8,778,759	74%
AB 939 Surcharge Program Expenditures	\$ 2,095,500	\$ 1,310,550	63%
Net Importation Revenue Sharing	\$ 16,026,760	\$ 17,913,768	112%
Total Expenses before Capitalization	\$ 194,907,191	\$ 142,665,121	73%

- *Total expenses was 73% of budget*
- *Net Importation Revenue Sharing was 12% higher than budget*

- *Net Importation Revenue Sharing of \$8.9M was disbursed to cities at the end of August 2019*
- *The County allocated the County's share of \$8.9M Net Importation Revenue to implement Civic Center Facilities Strategic Plan approved by the Board of Supervisors*



OC WASTE & RECYCLING Cash Balances FY 2014/2015 – FY 2018/2019 as of June 30, 2019

FUND Description	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
299 OC Waste & Recycling Enterprise / Operating ^[1]	\$145.66 M	\$166.22 M	\$180.08 M	\$159.16 M	\$199.48 M
273 Capital Project Fund	\$24.63 M	\$15.73 M	\$16.98 M	\$45.50 M	\$27.59 M
295 Importation Revenue Sharing Fund ^[2]	\$6.27 M	\$1.35 M	\$7.39 M	\$35.89 M	\$34.55 M
Operating Cash	\$176.56 M	\$183.30 M	\$204.45 M	\$240.55 M	\$261.62 M
275 Environmental Reserve	\$71.06 M	\$72.90 M	\$58.81 M	\$59.12 M	\$60.18 M
279 Landfill Post-Closure Maintenance	\$148.57 M	\$143.16 M	\$132.71 M	\$129.33 M	\$129.40 M
Cash Earmarked for Future Obligations	\$219.63 M	\$216.06 M	\$191.52 M	\$188.45 M	\$189.59 M
272 Prima Deshecha Landfill & La Pata Avenue Gap Closure	\$0.10 M	\$0.10 M	\$0.10 M	\$0.10 M	\$0.10 M
274 Corrective Action Escrow	\$8.17 M	\$8.22 M	\$8.29 M	\$8.37 M	\$8.52 M
276 Deferred Payment Security Deposits	\$0.55 M	\$0.55 M	\$0.65 M	\$0.69 M	\$0.79 M
284 FRB/Bee Canyon Landfill Escrow (Closure)	\$29.05 M	\$29.22 M	\$29.45 M	\$29.74 M	\$30.29 M
286 Brea/Olinda Landfill Escrow (Closure)	\$38.71 M	\$38.92 M	\$39.25 M	\$39.64 M	\$40.37 M
287 Prima Deshecha Landfill Escrow (Closure)	\$20.46 M	\$20.58 M	\$20.74 M	\$20.95 M	\$21.33 M
288 FRB Wetland Creation & Agua Chinon Wash Riparian	\$0.88 M	\$0.88 M	\$0.88 M	\$0.88 M	\$0.88 M
Restricted Cash	\$97.92 M	\$98.47 M	\$99.36 M	\$100.37 M	\$102.29 M
TOTAL CASH	\$494.11 M	\$497.83 M	\$495.33 M	\$529.37 M	\$553.49 M

[1] Fund 299 Operating cash includes cash earmarked for AB939 Surcharge, Capital Expenditures, and Reserves (25% of Operating Expense Budget)

[2] Fund 295 (FKA Fund 285 Bankruptcy Recovery Fund) distribution of Importation Net Revenue occurs after the close of the fiscal year by September 29th.

OC WASTE & RECYCLING Financial Highlights for FY 2018/2019 Year over Year Review

System Revenue	FY 17/18	FY 18/19	% Change
System-Wide Tonnage Revenue (Excluding Surcharge)	\$154.2M	\$165.1M	7%
AB 939 Surcharge	\$3.4M	\$3.5M	3%
Interest Income	\$2.9M	\$5.3M	85%
Leases & Royalties	\$4.6M	\$4.6M	-1%
Other Revenues	\$1.8M	\$0.3M	-86%
Total Operating Revenue	\$166.8 M	\$178.7 M	7%
Expenditures & Net Import Revenue Sharing	FY 17/18	FY 18/19	% Change
Services & Supplies	\$46.4M	\$44.2M	-5%
Capital Projects	\$40.2M	\$22.6M	-44%
Salaries & Employee Benefits	\$26.4M	\$27.4M	4%
Taxes, Fees, Assessments	\$16.9M	\$20.5M	21%
Equipment	\$13.4M	\$8.8M	-35%
AB 939 Surcharge Program Expenditures	\$2.1M	\$1.3M	-37%
Net Importation Revenue Sharing to Cities and County	\$15.9M	\$17.9M	13%
Total Expenditures	\$161.3 M	\$142.7 M	-12%

- *System tonnage increased by 3.4%*
- *System revenue increased by 7%*
- *Operating revenue increased by 7%*
- *Net Import Revenue Sharing to County & Cities increased by 13%*
- *Total expenditures decreased by 12%*



Agenda Item 3 — *Subcommittee Reports*

Reports of Legislative and Educational Outreach Subcommittees meetings.

Recommended Action: Receive and file report.

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Agenda Item 4 — *Legislative and Regulatory Report*

Summary: Staff will present an update on legislation pertaining to solid waste management, and report on regulatory activity affecting OC Waste & Recycling.

Recommended Action: Receive and file report.



Thursday, September 12, 2019

Agenda Item 5—*Report on AB 939 Surcharge-Funded Programs and Outreach*

Summary: Staff will provide updates on OCWR programs and activities funded by the AB939 surcharge budget, which provides for diversion programs and educational outreach expenditures focused on diversion.

Recommended Action: Receive and file report.



Thursday, September 12, 2019

Agenda Item 6 — *Waste Industry Presentation*

“Organics Collection for Everybody, Everywhere, All of the Time.”

Presenter: Matthew Cotton, owner of Integrated Waste Management Consulting,

The presentation will focus on a vision of the future under SB 1383.

Matthew Cotton Bio:

- Over 30 years in the organics recycling industry;
- Permitted and helped develop some of the major composting facilities in California;
- Almost two decades on the Board of the US Composting Council, including three terms as President.
- Lead instructor for USCC’s 40-Hour Compost Operator Training Course;
- Author and instructor of the Managing Composting Programs course for the Solid Waste Association of North America;
- Has published research on compost odors, compost use, climate impacts, compostable plastics, and compost infrastructure;
- Has taught composting courses in Australia, Brazil, Canada, China, Guam, and Norway.
- Has worked on statewide policy, legislation, and regulation related to composting for decades.
- Just completed a statewide study of organics processing infrastructure for CalRecycle.

Recommended Action: Receive and file report.