



Waste Management Commission

Thursday, June 13, 2019 - 2 p.m.
OC Waste & Recycling Headquarters
300 N. Flower St. Santa Ana, CA 92703

Waste Management Commission Local Task Force

Chair (5th District)
Donald R. Froelich

Vice Chair
Vacant

1st District
Tri Ta*
Kimberly H. Ho
Juan Villegas

2nd District
Joe Carchio
Rob Johnson*

3rd District
Mike Alvarez*
Beth Haney

4th District
Christine Marick*

5th District
Cynthia Conners*
Joe Soto

At Large
David J. Shawver*

**City Managers'
Representative**
Bret M. Plumlee*

Director
OC Waste & Recycling
Thomas D. Koutroulis

*Appointed by Orange
County City Selection
Committee

AGENDA 6/13/2019

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.

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.

Pledge of Allegiance

Roll Call The Clerk of the Commission will call roll.

Chairman's Report Chairman Donald Froelich

Director's Report Thomas D. Koutroulis, Director, OC Waste & Recycling

Action Item Recap Commission Clerk

Agenda Item 1: **Minutes of Waste Management Commission/Local Task Force, March 14, 2019**
Summary: Review and approve minutes of March 14, 2019 WMC/LTF meeting.

Recommended Action: Review and approve minutes.

Agenda Item 2: **OC Waste & Recycling Third Quarter 2018/19 Financial Report**
Summary: Staff will provide the OC Waste & Recycling Financial Report for Third Quarter FY 18/19.

Recommended Action: Receive and file report.

Agenda Item 3: **Establish New Subcommittee**
Summary: Chairman Froelich will request establishment of a new Educational Outreach Subcommittee

Recommended Action: Approve and form subcommittee

Agenda Item 4: **Subcommittee Report**
Summary: Report of Legislative Subcommittee meeting.

Recommended Action: Receive and file report.

Agenda Item 5: **Legislative and Regulatory Report**
Summary: Staff will present an update on legislation pertaining to solid waste management, and report OC Waste & Recycling’s participation in regulatory activities.

Recommended Action: Receive and file report.

Agenda Item 6: **Report on AB 939 Surcharge-Funded Programs and Outreach**
Summary: Staff will provide an update of OCWR’s partnership programs with the Discovery Cube, Angels and Ducks following Board approval of new contracts and an overview of coming events.

Recommended Action: Receive and file report.

Agenda Item 7: **Waste Industry Presentation:
“Status of Curbside Recycling – Global Impacts and Local Response”**
Presenter: Daniel J. Domonoske, Ph.D., Vice President, Potential Industries, Inc.

Recommended Action: Receive and file report.

Agenda Item 8: **Election of New Vice Chair**
Summary: Waste Management Commission will nominate and elect a new Vice Chair to fill the current vacancy.

Recommended Action: Nominate and elect new vice chair.

Commissioner Comments

Public Comment

At this time members of the public may address the Commission regarding any items within the subject matter jurisdiction of the Commission provided that NO action may be taken on off-agenda items unless authorized by law. When addressing the

Commission, please state your name for the record prior to providing your comments. Please address the Commission as a whole through the Chair.

Comments shall be limited to three (3) minutes per person and up to twenty (20) minutes for all comments, at the discretion of the Chair and the approval of the Commission.

Copies of Waste Management Commission Agenda packets may be obtained from OC Waste & Recycling by any of the following methods:

1. By accessing the OC Waste & Recycling website at www.oclandfills.com and viewing the Waste Management Commission page.
2. By sending a written request to OC Waste & Recycling, 300 N. Flower, Suite 400, Santa Ana, CA 92703-5000;
3. By telephoning the Commission Clerk at (714) 834-4060;
4. By sending an e-mail request to Commission Clerk at ruth.wardwell@ocwr.ocgov.com.

NEXT MEETING: Thursday, September 12, 2019
Stanton Central Park Community Center
Multi-Purpose Room
10660 Western Avenue, Stanton, CA 90680



Agenda Item 1 - Minutes of Waste Management Commission/ Local Task Force Meeting, March 14, 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>
Vacant	√ Rob Johnson	√ Mike Alvarez	√ Christine Marick	√ Cynthia Conners
√ Cheryl Brothers		√ Donald Froelich	Vacant	√ Joe Soto
√ Juan Villegas		ex Beth Haney	Vacant	
√ Bret Plumlee – <i>City Manager</i>			√ David Shawver – <i>At Large (Stanton)</i>	
√ Tom Koutroulis, OC Waste & Recycling Director			*City Selection Committee Appointee	

Also Present:

Paul Albarian	Steven Halligan
Irene Alonso	Jordan Young
Jeovany Gomez	Brian Probolsky
Cirillo Madrigal	Lisa Smith

Call to Order

Chairman Donald Froelich called the meeting to order at 2:02 p.m. The meeting location was OCWR Headquarters.

Pledge of Allegiance

The Pledge of Allegiance was led by Commissioner Brothers .

Roll Call

Roll call was conducted by the Commission Clerk.

Chairman’s Report

Recognized rob Johnson; presented plaque
 Addressed roster; important to show up. Takes a commitment.
 Mentioned he shifted to District 5 from 3 since he lives there
 Legislation will be a long ride
 Regulatory formality non-disposal
 Water industry also highly regulated
 Need meeting locations: Shawver offered Stanton for meeting location

Director’s Report

Commendation for Froelich and Johnson
 Sites weathered the rain
 Safety is core to values; seeking accreditation through Cal/SHAO
 1383 in final comment period
 Need for further education and outreach related to legislation – reform subcommittee
 Field trips training sessions
 More industry experts to speaker about recycling industry
 Annual report out in about 6 weeks
 Great meeting with AQMD. Very impressed.

Clerk's Action Item Report

The sole item was to report on sub-committees

Remind you to sign your stipend and mileage paperwork and leave it in your orange folders

Agenda Item 1: Minutes of the December 12, 2018 Waste Management Commission/Local Task Force Meeting

MOVED: Commissioner Marick

SECONDED: Commissioner Soto

ABSTAIN: -

APPROVED: yes

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

Summary

On target for financial plan. More revenue than projected spending less,

Stable waste stream.

2nd available financing estimate; use this for better projections.

Operating Fund: Revenue is reported in arrears

Capital Projects: Spent less than projected because we delayed some capital projects

Importation: meeting financial goals

System wide Tonnage continues to increase

Exceed budget in net revenue sharing

More cash because we pay in arrears

Questions

Shawver – cost of capital projects? Answer: about \$20 million

What do we have in reserves? Answer: \$89 million

Explain revenue sharing. Answer: proportional to tonnage by city

Have we looked at a way to reduce operational costs? Answer: we provide low cost service, lowest in nation

Soto – breakdown by site? Is one carrying the burden of the revenue. Answer: FRB carries in county; Olinda carries import. Requested breakdown. Trang will provide clerk will send.

MOVED: Commissioner Soto

SECONDED: Commissioner Johnson

ABSTAIN: -

APPROVED: yes

Agenda Item 3: Subcommittee report

Abbreviated meeting. No report out; will address in next item

No motion needed. No report

MOVED: Commissioner

SECONDED: Commissioner

ABSTAIN: -

APPROVED:

Agenda Item 4: Legislative and Regulatory Report

Provided a list of key pieces of legislation related to recycling

1383 continues its march forward. Exemptions and good faith efforts not happening. On the shoulders of SoCal.

Finances of recycling are upside down. No one has figured out how to fix it.

MOVED: Commissioner Soto
SECONDED: Commissioner Johnson
ABSTAIN: -
APPROVED: Yes

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

Staff thanked commissioners for attendance at past events
BOS approved new contracts for partnership programs Cube, Angels, Ducks
Angels, Ducks programs targets mass audiences; drives them to Cube
Expansion to Cube exhibits – composting. Kiosks and hands on living activity.

MOVED: Commissioner Johnson
SECONDED: Commissioner Plumlee
ABSTAIN: -
APPROVED: Yes

Agenda Item 6: Notification Item

Staff provided notification of OCWR’s updated Non-Disposal Facility Element (NDFE).
Required notification. We are required to prepare a non-disposal facility element. This is an update to cover green material.
Submitted as receive and file.

MOVED: Commissioner Conners
SECONDED: Commissioner Johnson
ABSTAIN -
APPROVED: Yes

Agenda Item7: Waste Industry Presentation

Recycling and Disposal Update – OC and Statewide
Up 1 percent in in-county tonnage
Slowing down
Disposal tied to economy. State finally willing to admit to these. Drought induced disaster debris.
Decline of international markets; finding new home for plastics. New markets
Submitted as receive and file.

MOVED: Commissioner Johnson
SECONDED: Commissioner Alvarez
ABSTAIN: -
APPROVED: Yes

Commissioner Comments

Conners - Support Commissioner Shawver’s encouragement to see what can be done with organic waste from water treatment. Keep at high level of consideration.

Public Comments:

None

The meeting was adjourned at 3:28 p.m.



Agenda Item 2 – *OC Waste & Recycling’s FY 18/19 Financial Report* ***Karalyn Meeh, Section Manager, Budget, Purchasing*** ***& Landfill Administration***

This report presents the financial status of OC Waste & Recycling as of the third quarter of FY 18/19 (ending March 31, 2019). Included in the report is financial information related to tonnage, expenditures, revenues, and cash balances.

System Tonnage

Total OC Waste & Recycling 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. By landfill site, tonnage as of third quarter was as follows:

Olinda Alpha Landfill

In-county tonnage 888,123 (37%) of total in-county tonnage
Importation tonnage 700,808 (49%) of total importation tonnage

Frank R. Bowerman Landfill

In-county tonnage 1,193,268 (50%)
Importation tonnage 637,468 (44%)

Prima Deshecha Landfill

In-county tonnage 312,222 (13%)
Importation tonnage 97,972 (7%)

Revenues

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.

Revenue recorded in OC Waste & Recycling’s Capital Project Fund (Fund 273) was \$10,431,489 versus the modified revenue budget of \$29,100,000.

Revenue recorded in OC Waste & Recycling’s Importation Net Revenue Sharing Fund (Fund 295) was \$36,580,649 versus the modified revenue budget of \$52,281,097.

Sources of revenue received as of the third quarter of FY 18/19 included:

- \$111,514,611 System-Wide Tonnage Revenue (93.4% of total actual revenue received)
- \$3,147,341 Interest Income (2.6%)
- \$2,493,217 Leases & Royalties (2.1%)
- \$2,033,845 AB 939 Surcharge Revenue (1.7%)
- \$163,022 Other Revenue (0.2%)

Expenditures

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.

Expenditures and encumbrances recorded in OC Waste & Recycling's Capital Project Fund (Fund 273) as of third quarter of FY 18/19 totaled \$12,740,781 versus a modified expense budget of \$49,085,517.

Expenditures and encumbrances recorded in OC Waste & Recycling's Importation Fund (Fund 295) as of third quarter of FY 18/19 totaled \$2,814,643 versus a modified expense budget of \$50,919,000.

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

- \$38,820,636 Services & Supplies (42.5%)
- \$20,449,485 Salaries & Employee Benefits (22.4%)
- \$12,727,924 Capital Projects (13.9%)
- \$10,488,401 Taxes, Fees, Assessments (11.5%)
- \$8,659,633 Equipment (9.5%)
- \$247,918 AB939 Surcharge Program (0.3%)

Cash Balance and Reserves

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

As of March 31, 2019, the OC Waste & Recycling's Enterprise/Operating Fund 299 had an available reserves balance of \$83,091,138.

Should you have any questions or would like additional information, please contact Karalyn Meeh, OC Waste & Recycling Budget & Purchasing Services Manager at (714) 834-4148.

Recommended Action: Receive and file report.

Attachments

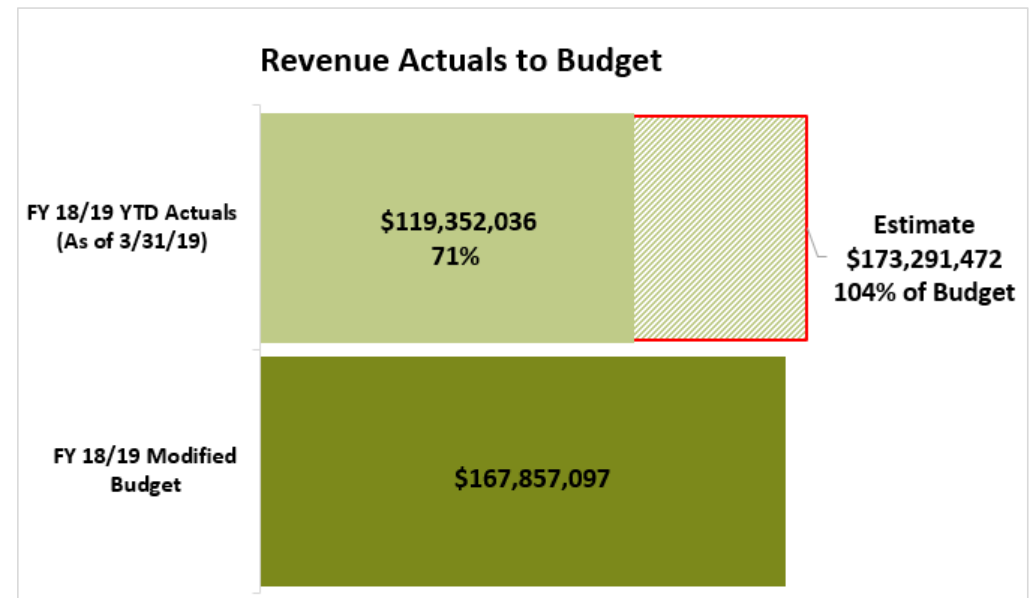
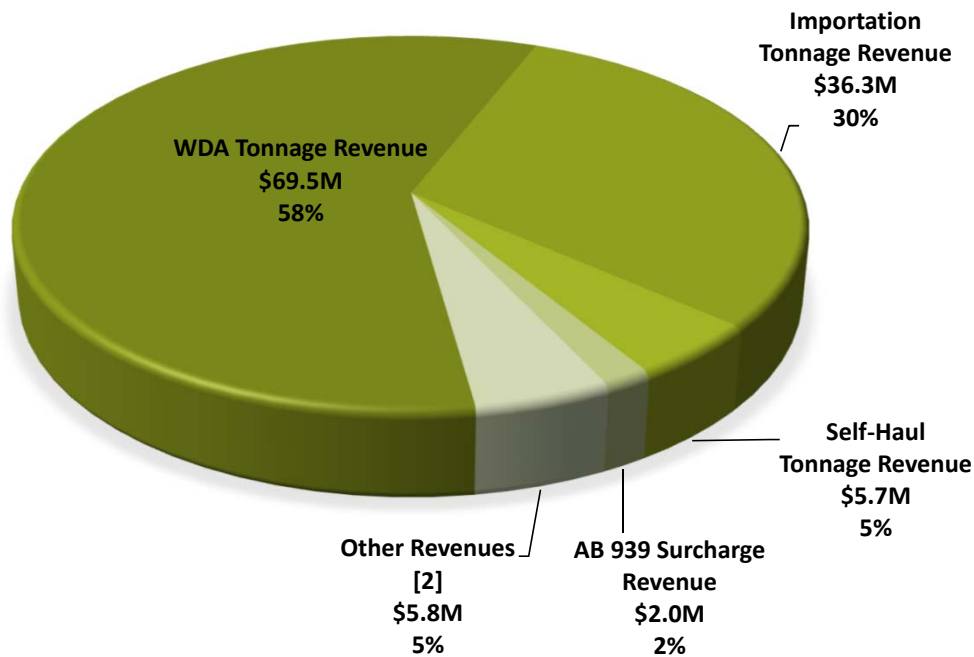
1. FY 2018/2019 Tonnage, Revenue and Expenditures Summary – As of March 31, 2019
2. FY 2018/2019 Revenue Actuals to Budget – As of March 31, 2019
3. FY 2018/2019 Expenditures & Encumbrance Actuals to Budget – As of March 31, 2019
4. System-Wide Tonnage FY 1989/90 – FY 2017/18 Actuals & FY 2018/19 - FY 2027/28 Forecast
5. Landfill Capacity Data
6. Cash Balances – FY 2014/2015 to FY 2018/2019 as of March 31, 2019

OC WASTE & RECYCLING
FY 2018/2019 Tonnage, Revenue and Expenditures Summary
As of March 31, 2019

	FY 18/19 Modified Budget	FY 18/19 As of 3/31/19 Actuals	YTD Actuals (% of Modified Budget)
System-Wide Tonnage			
<i>In-County Tonnage</i>	3,075,270	2,393,613	77.8%
<i>Importation Tonnage</i>	1,788,057	1,436,248	80.3%
<i>Total System-Wide Tonnage</i>	4,863,327	3,829,861	78.7%
Enterprise/Operating (Fund 299)			
<i>Revenues</i>	\$ 146,998,240	\$ 83,733,890	57.0%
<i>Expenditures</i>	\$ 160,240,431	\$ 85,829,719	53.6%
Capital Projects (Fund 273)			
<i>Revenues</i>	\$ 29,100,000	\$ 10,431,489	35.8%
<i>Expenditures</i>	\$ 49,085,517	\$ 12,740,781	26.0%
Importation (Fund 295)			
<i>Revenues</i>	\$ 52,281,097	\$ 36,580,649	70.0%
<i>Expenditures</i>	\$ 50,919,000	\$ 2,814,643	5.5%

OC WASTE & RECYCLING FY 2018/2019 Revenue Actuals to Budget As of March 31, 2019

TOTAL REVENUE = \$119.3M ^[1]

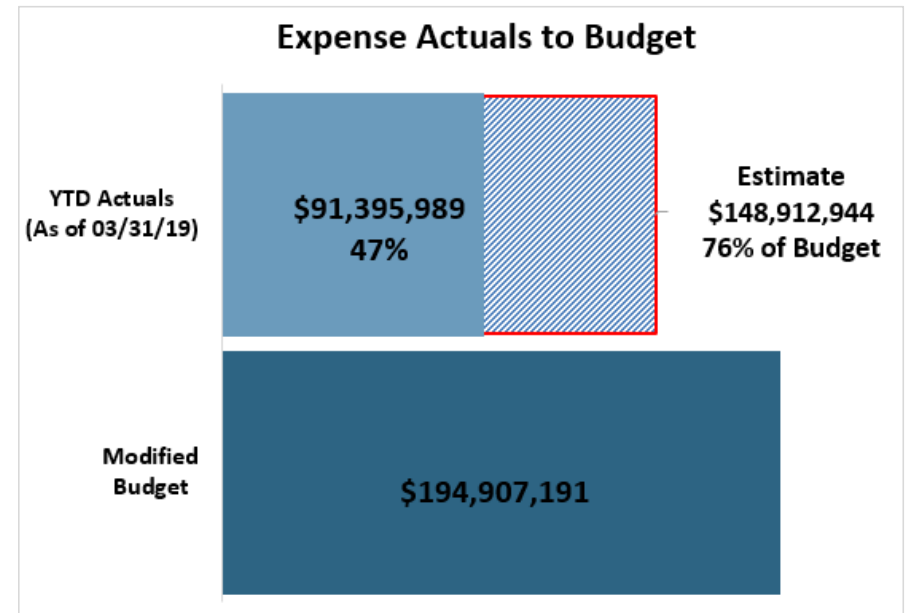
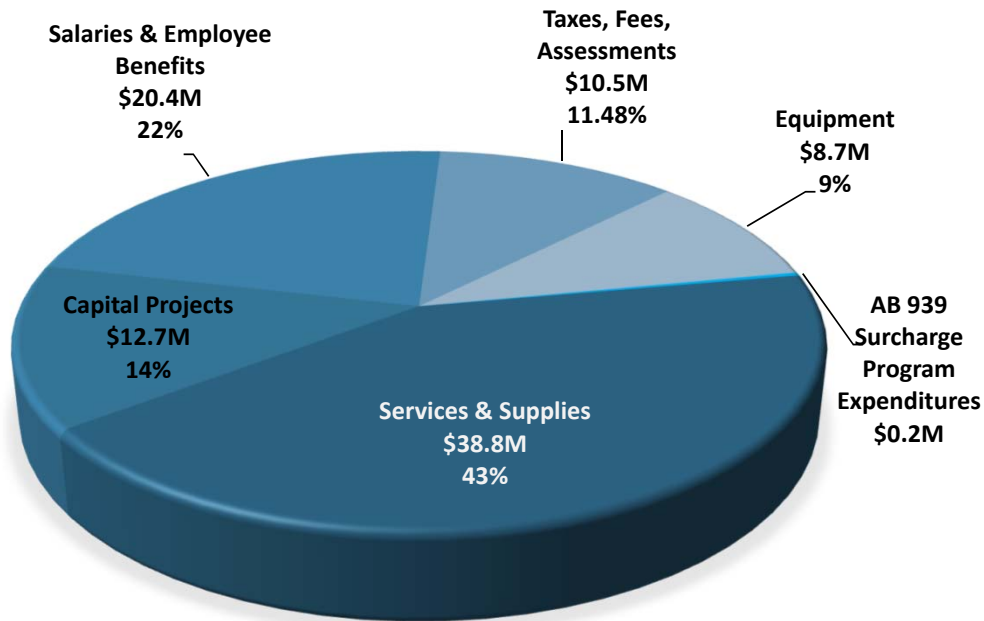


[1] Revenue excludes internal transfers of \$10M and postclosure maintenance reimbursement to Fund 299 of \$1.4M. Expenditures exclude internal transfer of \$10M.

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

OC WASTE & RECYCLING FY 2018/2019 Expenditures & Encumbrance Actuals to Budget As of March 31, 2019

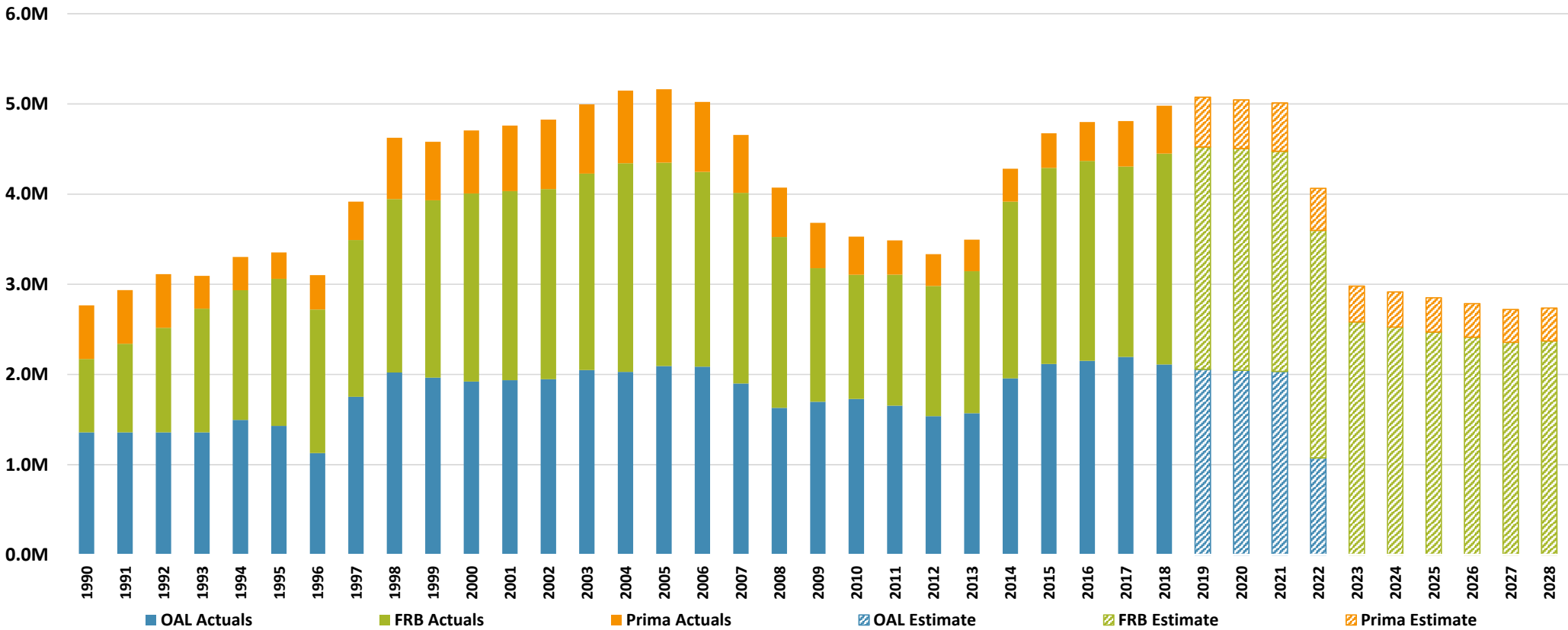
TOTAL EXPENDITURES & ENCUMBRANCES = \$91.3M ^[1]



[1] Revenue excludes internal transfers of \$10M and postclosure maintenance reimbursement to Fund 299 of \$1.4M. Expenditures exclude internal transfer of \$10M.

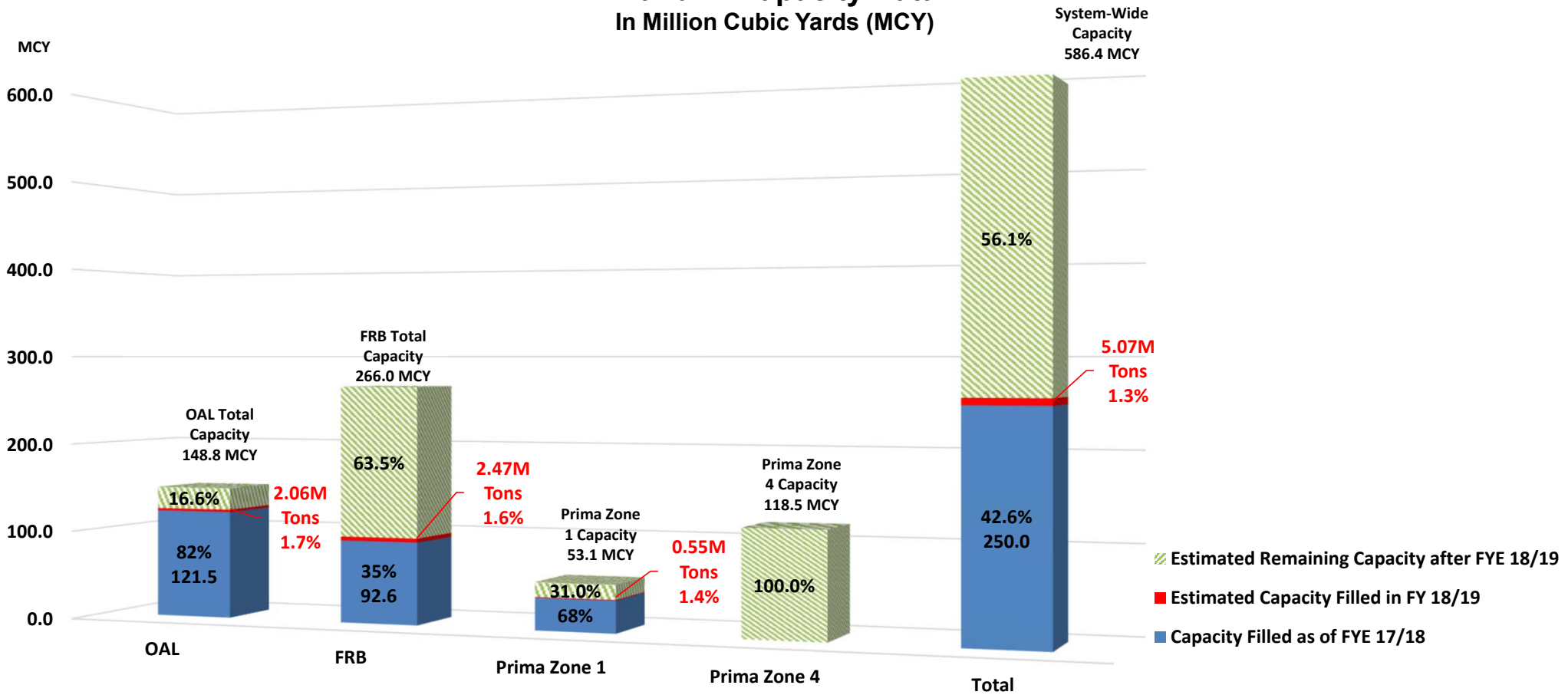
[2] Other Revenues includes: Rents & Royalties; Interest Income; Licenses, Permits & Franchises; Forfeitures & Penalties; Intergovernmental Revenues; Other Charges for Services; Capital Asset Sales; and Miscellaneous Revenues.

OC WASTE & RECYCLING System-Wide Buried Tonnage FY 1989/90 – FY 2017/18 Actuals & FY 2018/19 – FY 2027/28 Forecast



Forecasted tonnage is per OCWR's 2018 Annual Report, 10-Year Financial Forecast which includes the assumption Olinda Alpha Landfill (OAL) closes in December 2021. Due to capacity limits at the remaining two active landfills, importation will end when OAL closes. Does not include assumption of buried green waste.

OC WASTE & RECYCLING Landfill Capacity Data In Million Cubic Yards (MCY)



**OC WASTE & RECYCLING
Cash Balances
FY 2014/2015 – FY 2018/2019 as of March 31, 2019**

FUND	Description	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19 As of 03/31/2019
299	OC Waste & Recycling Enterprise / Operating ^[1]	\$145.66 M	\$166.22 M	\$180.08 M	\$159.16 M	\$188.12 M
273	Capital Project Fund	\$24.63 M	\$15.73 M	\$16.98 M	\$45.50 M	\$28.20 M
295	Importation Revenue Sharing Fund ^[2]	\$6.27 M	\$1.35 M	\$7.39 M	\$35.89 M	\$30.75 M
Operating Cash		\$176.56 M	\$183.30 M	\$204.45 M	\$240.55 M	\$247.07 M
275	Environmental Reserve	\$71.06 M	\$72.90 M	\$58.81 M	\$59.12 M	\$59.87 M
279	Landfill Post-Closure Maintenance	\$148.57 M	\$143.16 M	\$132.71 M	\$129.33 M	\$132.48 M
Cash Earmarked for Future Obligations		\$219.63 M	\$216.06 M	\$191.52 M	\$188.45 M	\$192.35 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	\$8.48 M
276	Deferred Payment Security Deposits	\$0.55 M	\$0.55 M	\$0.65 M	\$0.69 M	\$0.77 M
284	FRB/Bee Canyon Landfill Escrow (Closure)	\$29.05 M	\$29.22 M	\$29.45 M	\$29.74 M	\$30.13 M
286	Brea/Olinda Landfill Escrow (Closure)	\$38.71 M	\$38.92 M	\$39.25 M	\$39.64 M	\$40.15 M
287	Prima Deshecha Landfill Escrow (Closure)	\$20.46 M	\$20.58 M	\$20.74 M	\$20.95 M	\$21.22 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	\$101.73 M
TOTAL CASH		\$494.11 M	\$497.83 M	\$495.33 M	\$529.37 M	\$541.15 M

[1] Fund 299 Operating Cash includes cash earmarked for AB 939 Surcharge, Capital Expenditures, and Reserves (25% of Operating Expense Budget).

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



Agenda Item 3 — *Establish New Subcommittee*

Establishment of a new Educational Outreach Subcommittee will further engage the Waste Management Commission in the effort to reach and communicate with the general Orange County public about recycling and waste management in what has become an era of responding to industry-transforming legislation. OCWR Community Programs Manager Irene Alonso would staff the subcommittee.

Recommended Action: Approve and form subcommittee.



June 13, 2019

Agenda Item 4 — *Subcommittee Report*

Legislative Subcommittee

Recommended Action: Receive and file report.



Thursday, June 13, 2019

Agenda Item 5 — *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, June 13, 2019

Agenda Item 6 —*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.



Agenda Item 7 — *Waste Industry Presentation*

“Status of Curbside Recycling – Global impacts and Local Response”

Presenter: Daniel J. Domonoske, Ph.D., Vice President, Potential Industries, Inc.

Dr. Daniel Domonoske has been with Potential Industries, Inc. for more than 20 years. He holds a master’s degree in international management and a bachelor’s degree in economics. Daniel has led Potential’s growth into municipal contracting and facility expansion.

Potential Industries, Inc. is a privately owned, full-service, vertically integrated recycling company that has been transforming how waste is recovered through recycling for almost 40 years. The firm is an end user and consistent buyer of recovered materials, with four recycling facilities in Southern California and joint ventures both domestically and overseas. Located adjacent to the Port of Long Beach and the Port of Los Angeles, Potential is one of the top five exporters of paper in the United States. Its 10-acre facility serves as a primary truck route and is rail-sided, able to efficiently serve both local and regional markets.

Recommended Action: Receive and file report.



Thursday, June 13, 2019

Agenda Item 8 — *Election of New Vice Chair*

The vice chair of the Waste Management Commission was removed from the commission in May 2019. A new Vice Chair needs to be nominated and elected to fill the vacancy on the commission.

Recommended Action: Nominate and elect new vice chair.