



# Waste Management Commission

Thursday, June 14, 2018 2 p.m.

300 N. Flower St., Suite 400

Santa Ana, CA 92703

## Waste Management Commission Local Task Force

### Chair (2<sup>nd</sup> District)

#### City Selection

Rob Johnson

### Vice-Chair (3<sup>rd</sup> District)

Donald R. Froelich

### 1st District

Cheryl Brothers\*

Vacant\*

### 2nd District

Tina M. Nieto

Joe J. Carchio

### 3rd District

Mike Alvarez\*

Beth Haney

### 4th District

Charles J. Kim

Chad P. Wanke

Christine Marick\*

### 5th District

Cynthia Conners\*

Joe Soto

Mark Tettermer

### 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

*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 Rob Johnson

### 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 8, 2018

Summary: Review and approve minutes of March 8, 2018 WMC/LTF meeting.

**Recommended Action: Review and approve minutes.**

### Agenda Item 2:

#### OC Waste & Recycling Third Quarter 2017/18 Financial Report

Summary: Staff will provide the OC Waste & Recycling Financial Report for Third Quarter FY 17/18.

**Recommended Action: Receive and file report.**

### Agenda Item 3:

#### Report on AB 939 Surcharge-Funded Programs and Outreach

Summary: Staff will present a report on AB 939 Surcharge-Funded Programs and Outreach.

**Recommended Action: Receive and file report.**

**Agenda Item 4:**

**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 5:**

**Waste Industry Presentation:**

CalRecycle representatives to discuss SB 1383. Cara Morgan, branch chief, local assistance and market development; and Howard Levenson, deputy director, materials management and local assistance division.

**Recommended Action: Receive and file report.**

**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.oilandfills.com](http://www.oilandfills.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](mailto:ruth.wardwell@ocwr.ocgov.com).

**NEXT MEETING: Thursday, September 13, 2018**



## Agenda Item 1 - Minutes of Waste Management Commission/ Local Task Force Meeting, March 8, 2018

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

<i>1<sup>st</sup> District</i>	<i>2<sup>nd</sup> District</i>	<i>3<sup>rd</sup> District</i>	<i>4<sup>th</sup> District</i>	<i>5<sup>th</sup> District</i>
Vacant	√ Rob Johnson*	√ Mike Alvarez*	√ Christine Marick*	ex Cynthia Conners*
√ Cheryl Brothers*	√ Joe J. Carchio	√ Donald Froelich	ab Charles J. Kim	ab Joe Soto
ex Deepak J. Krishan	√ Tina Nieto	Vacant	ab Chad P. Wanke	ab Mark Tettermer
√ 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:

Stu Luce  
Mike Learakos, Waste Not OC  
Mary Beth Anderson, OCWR  
Nick Caniglia, JRMA  
Dave Fraser, Aguinaga

**Call to Order**

Chairman Rob Johnson called the meeting to order at 2:09 p.m.

**Pledge of Allegiance**

The Pledge of Allegiance was led by Commissioner Joe Carchio.

**Roll Call**

Roll call was conducted by the Commission Clerk.

**Chairman’s Report**

Chairman Johnson presented immediate past Chairman, Joe Carchio with a certificate of appreciation for his service as chairman of the Commission in 2017. Chairman Johnson also bid farewell to Commissioner Steve Lodge, who is leaving the commission. He showed commissioners the plaque that staff will send to Steve, who could not be present. Four commissioners were congratulated on their leadership positions on their respective city councils: Mayors Chad Wanke (Placentia) and David Shawver (Stanton), and Mayors pro tem Christine Marick (Brea) and Cynthia Conners (Laguna Woods).

**Director’s Report**

Director Tom Koutroulis thanked Chairman Johnson and Vice Chair Froelich for accepting their respective leadership roles. He noted that the focus of the department is laying the foundation for a regional response to state mandates. He also announced that the first major step for the Organics Initiative was to launch pilot composting programs at all three sites. Director Koutroulis will be presenting information on the Initiative to City Managers on April 4.

Director Koutroulis also mentioned the retirement of Commission Clerk, Julie Chay at the end of March and thanked her for her service to the Commission.

### **Clerk's Action Item Report**

The clerk noted that paper agendas were not mailed to commissioners, and that the snail mail copies would no longer be sent. However, paper copies of the agenda will be placed in Commissioners' folders to be available at the meeting. Commissioners who wish to continue to receive paper copies mailed should contact the clerk.

The clerk also reviewed the procedure for completing the Ethics Training and encouraged Commissioners to do so in April.

### **Agenda Item 1: Minutes of the December 14, 2017 Waste Management Commission/Local Task Force Meeting**

The minutes were approved as presented.

### **Agenda Item 2: OC Waste & Recycling FY 2016/17 Financial Report**

Interim Budget Manager Karalyn Meeh presented the report. Commissioner Shawver asked how many years out OCWR projects for capital improvement projects, and what will happen post-AB 1383. Staff responded that the legislation will ratchet down tonnage. They added that the department's focus is on best available technologies. In the future we will likely offer services we don't currently offer.

The report was received and filed.

### **Agenda Item 3: AB 939 Report**

Business Planning & Support Manager Isabel Rios-Kahn reported on the Board of Supervisors' approval of the Regional Recycling and Waste Reduction grants. In response to a commissioner's question, Ms. Rios-Kahn clarified that the Discovery Cube's grant is in addition to the Eco Challenge Exhibit and is for educational outreach.

Strategic Communications Manager Ruth Wardwell noted the upcoming Earth Day Open House at the Prima Deshecha Landfill and other educational outreach and diversion-focused activities,

The report was received and filed.

### **Agenda Item 4: Legislative and Regulatory Report**

Contract & Program Support Manager Brian Probolsky mentioned the addition of Commissioners Alvarez and Plumlee to the Legislation and Regulations Committee and reported on current regulations and legislation.

The report was received and filed.

### **Agenda Item 5: Waste Industry Presentation—Waste Not OC**

Mike Learakos, Executive Director of Waste Not OC, made a presentation about the Waste Not OC Coalition and its work toward eliminating hunger and reducing food waste.

Commissioner Nieto suggested reaching out to Monterey County, which has a similar successful program. The report was received and filed.

**Commissioner Comments:** None

**Public Comments:** None

The meeting was adjourned at 3:15 p.m.



## **Agenda Item 2 – *OC Waste & Recycling’s FY 17/18 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 17/18 (ending March 31, 2018). 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 17/18 was 3,707,112 tons, consisting of 2,363,363 in-county tonnage and 1,343,749 importation tonnage. In-county tonnage has risen by 3.8% from the third quarter last fiscal year. Importation tonnage has increased by 3.4%. By landfill site, tonnage as of March 31, 2018 was as follows:

#### **Olinda Alpha Landfill**

In-county tonnage 892,149 (38% of total in-county tonnage)  
Importation tonnage 669,790 (50% of total importation tonnage)

#### **Frank R. Bowerman Landfill**

In-county tonnage 1,161,494 (49%)  
Importation tonnage 594,249 (44%)

#### **Prima Deshecha Landfill**

In-county tonnage 309,720 (13%)  
Importation tonnage 79,710 (6%)

### **Revenues**

As of the third quarter of FY 17/18, revenue recorded in OC Waste & Recycling’s Enterprise/Operating (Fund 299) was \$79,182,926 versus the modified revenue budget of \$135,340,116. Primary sources of revenue received through the third quarter of FY 17/18 included:

- \$75,916,933 Disposal Fees & Services (95.9% of total revenue received)
- \$2,486,159 Leases & Royalties (3.1%)
- \$1,430,183 Interest Income (1.8%)

For FY 17/18, revenue recorded in OC Waste & Recycling’s Capital Project Fund (Fund 273) was \$40,189,972 or 77.3% versus the modified revenue budget of \$51,964,000. Revenue received through the third quarter of FY 17/18 includes interest earnings of \$189,972 and a transfer in of \$40,000,000 from Fund 299. The primary source of revenue for Fund 273 is from internal transfers from OC Waste & Recycling’s Enterprise/Operating (Fund 299).

## **Expenditures**

FY 17/18 expenditures and encumbrances recorded in OC Waste & Recycling's Enterprise/Operating (Fund 299) as of March 31, 2018 totaled \$ 125,399,957, 69.0% of the modified expense budget of \$181,730,804.

FY 17/18 expenditures and encumbrances recorded in OC Waste & Recycling's Capital Project Fund (Fund 273) as of March 31, 2018 totaled \$32,472,362, 48.5% of the modified expense budget of \$66,947,576.

As of March 31, 2018, OC Waste & Recycling's categories of major expenditures were:

- \$41.6M Services & Supplies (33.6%)
- \$32.4M Capital Project (26.1%)
- \$20.0M Salaries & Employee Benefits (26.1%)
- \$12.6M Equipment & Tangible Assets (10.2%)
- \$17.2M Other (13.9%)

## **Cash Balance and Reserves**

As of March 31, 2018, the OC Waste & Recycling's Enterprise/Operating Fund 299 had a cash balance of \$157,352,721.

As of March 31, 2018, the OC Waste & Recycling's Enterprise/Operating Fund 299 had an available reserves balance of \$70,441,586.

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

**Recommended Action:** Receive and file report.

### **Attachments:**

1. Summary Report – Fiscal Year 2017/2018 Third Quarter Overview
2. System-Wide Tonnage – FY 2004/2005 to FY 2017/2018
3. System-Wide Tonnage Revenue (Excluding \$19 Surcharge) – FY 2013/2014 to 2017/2018
4. Fund 299 & Fund 285 Revenue – FY 2017/2018 as of March 31, 2018
5. Funds 299, 285, and 273 Expenditures by Category – FY 2017/2018 as of March 31, 2018
6. Cash Balances – FY 2013/2014 – 2017/2018 as of March 31, 2018



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### Agenda Item 3 – *Report on AB 939 Surcharge-Funded Programs*

Brian Probolsky, Contracts and Program Support manager, will provide a brief update on the Grant program.

Irene Alonso, Community Programs Manager, Irene will provide a recap of the Earth Day Open House and Environmental Fair, including a video.

**Recommended Action:** Receive and file report.





## Agenda Item 4 – *Legislative and Regulatory Report*

Staff will provide 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 5 – *Waste Industry Presentation*

CalRecycle representatives will discuss SB 1383, named Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reductions

Speakers:

Howard Levenson is the deputy director of CalRecycle's Materials Management and Local Assistance Division, which includes review of jurisdiction performance on waste diversion mandates, all grants and loans, the Covered Electronic Waste program, the 3 EPR programs (mattress, carpet, paint), and our technical work on organics, climate change, tire and plastic recycling, and other materials and technologies.

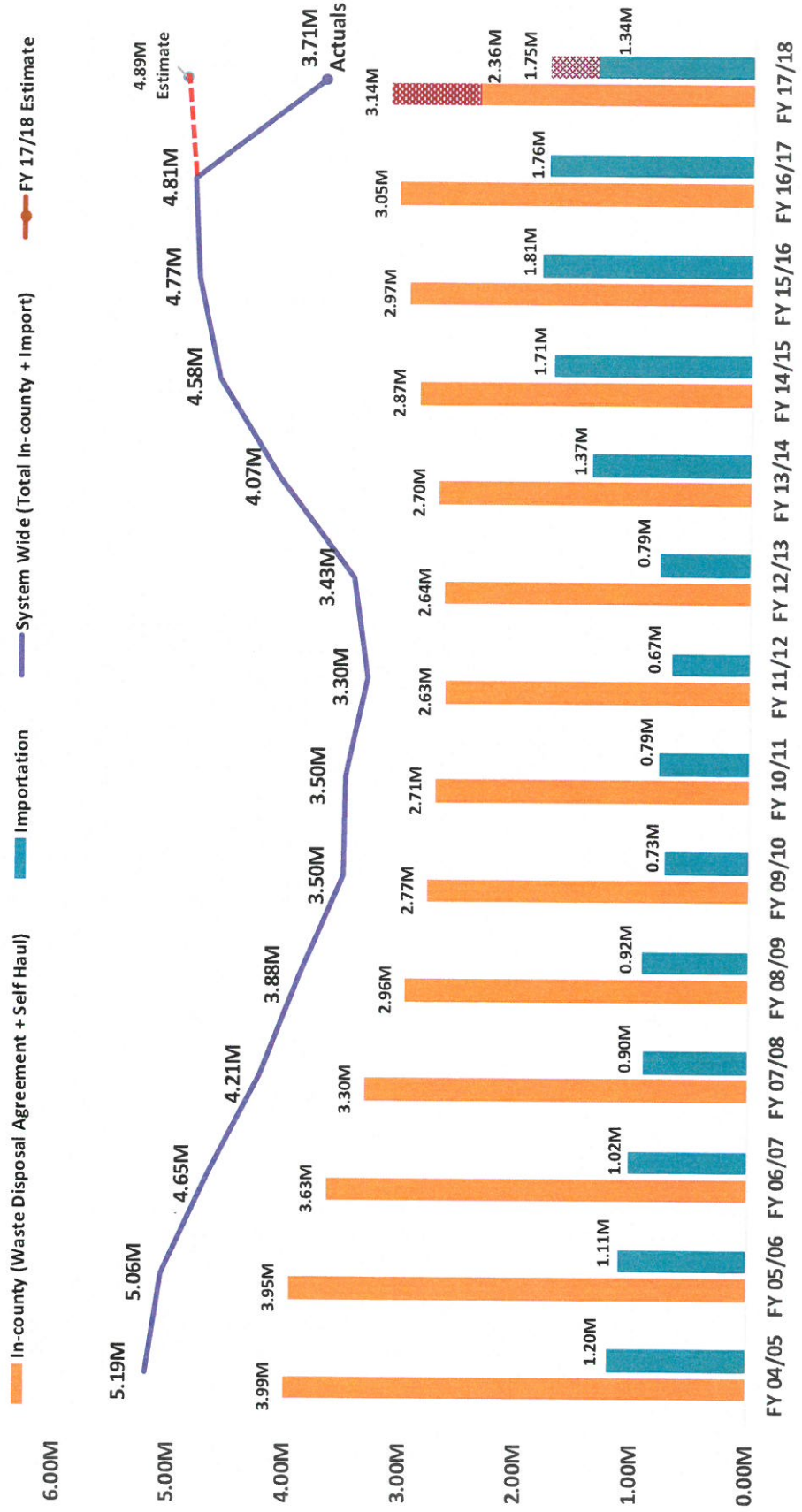
Cara Morgan is the Local Assistance and Market Development division branch chief. She oversees the many activities that comprise local assistance, recycling manufacturer market development and state agency programs.

**Recommended Action:**      Receive and file report.

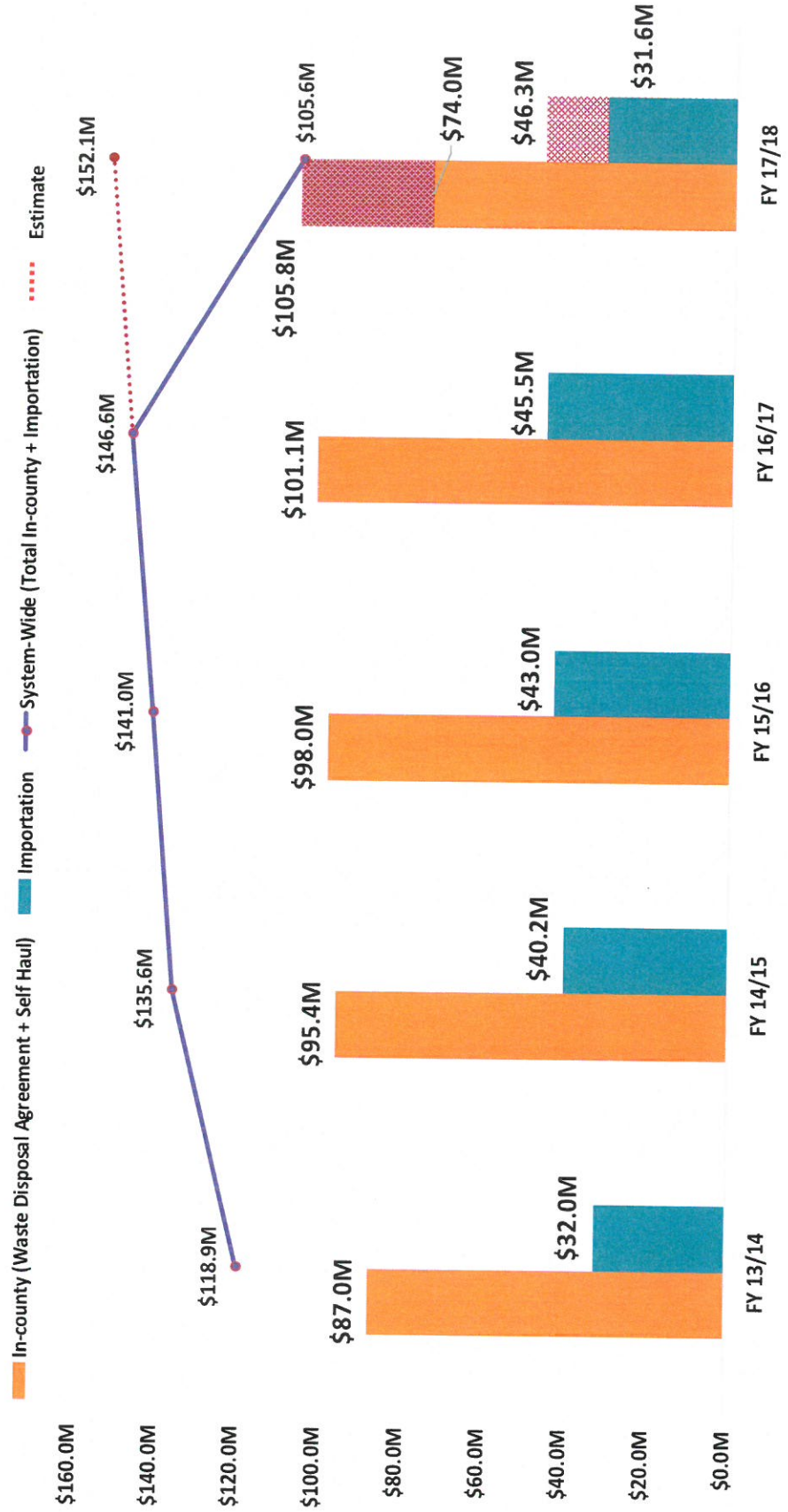
**OC WASTE & RECYCLING**  
**Summary Report as of 3<sup>rd</sup> Quarter Fiscal Year 2017/2018**  
**Fund 299, Fund 273 and Fund 285 Overview**

	FY 17/18 Adopted Budget	FY 17/18 Modified Budget	FY 17/18 YTD Actuals (as of 3/31/18)	YTD Actuals (% of Modified Budget)
<b>System-Wide Tonnage</b>				
<i>In-County Tonnage</i>	2,820,068	2,820,068	2,363,363	83.8%
<i>Importation Tonnage</i>	1,718,293	1,718,293	1,343,749	78.2%
<b>Total System-Wide Tonnage</b>	<b>4,538,361</b>	<b>4,538,361</b>	<b>3,707,112</b>	<b>81.7%</b>
<b>Enterprise/Operating (Fund 299)</b>				
<i>Revenues</i>	\$ 119,775,103	\$ 135,340,116	\$ 79,182,926	58.5%
<i>Expenditures</i>	\$ 153,355,804	\$ 181,730,804	\$ 125,399,957	69.0%
<b>Capital Projects (Fund 273)</b>				
<i>Revenues</i>	\$ 51,964,000	\$ 51,964,000	\$ 40,189,972	77.3%
<i>Expenditures</i>	\$ 68,422,076	\$ 66,947,576	\$ 32,472,362	48.5%
<b>Importation (Fund 285/Fund 295)</b>				
<i>Revenues</i>	\$ 47,810,000	\$ 47,810,000	\$ 31,637,490	66.2%
<i>Expenditures</i>	\$ 47,810,000	\$ 47,810,000	\$ 5,194,387	10.9%

# OC WASTE & RECYCLING System-Wide Tonnage FY 2004/2005 – FY 2017/2018



## OC WASTE & RECYCLING System-Wide Tonnage Revenue (Excluding \$19 Surcharge) FY 2013/2014 – FY 2017/2018



AGENDA ITEM 2, ATTACHMENT 4

**OC WASTE & RECYCLING**  
**Fund 299, Fund 285 & Fund 273 Revenue**  
**FY 2017/2018 Actuals to Budget as of March 31, 2018**

	FY 17/18 Adopted Budget	FY 17/18 Modified Budget	FY 17/18 YTD Actuals (As of 3/31/18)	YTD Actuals (% of Modified Budget)
In-County Disposal Fees & Services	101,267,500	101,267,500	75,916,933	75%
Importation Disposal Fees	47,775,000	47,775,000	31,562,117	66%
Interest Income	1,685,000	1,685,000	1,705,072	101%
Leases & Royalties	4,477,000	4,477,000	2,486,160	56%
Other Revenues <sup>[1], [2]</sup>	403,603	403,603	(650,350)	-161%
<b>Total Revenue <sup>[3]</sup></b>	<b>\$155,608,103</b>	<b>\$155,608,103</b>	<b>\$111,019,931</b>	<b>71%</b>

Note(s):

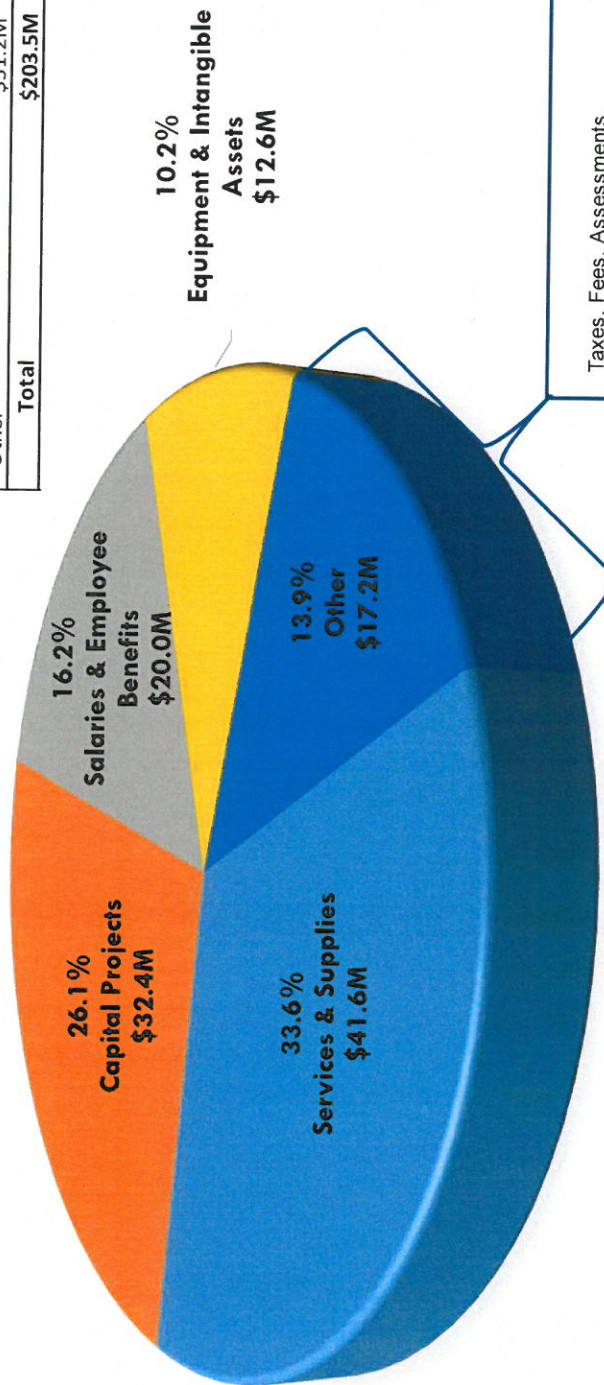
[1] Other Revenues includes: Other Licenses & Permits, Franchises, Forfeitures & Penalties, Other Governmental Agencies Payments, Other Charges for Services, Returned Checks, Capital Asset Sales, Non-Taxable Resale and Miscellaneous Revenues.

[2] Other Revenues are negative due to temporary accounting entries for the disposal of assets. These entries are reversed at year end.

[3] Excludes internal transfers

## OC WASTE & RECYCLING Fund 299, 285 and Fund 273 Expenditures and Encumbrances FY 2017/2018 Actuals as of March 31, 2018

Expenditure Category	Modified Budget	YTD Actuals		(% of Modified Budget)
		Budget	Actuals	
Services & Supplies	\$66.3M	\$41.6M		63%
Capital Projects	\$63.2M	\$32.4M		51%
Salaries & Employee Benefits	\$29.1M	\$20.0M		69%
Equipment & Intangible Assets	\$13.7M	\$12.6M		92%
Other	\$31.2M	\$17.2M		55%
<b>Total</b>	<b>\$203.5M</b>	<b>\$123.9M</b>		<b>61%</b>



	Budget	Actuals
Taxes, Fees, Assessments	\$24.9M	\$12.1M
AB 939 Surcharge Program	\$3.7M	\$2.6M
Importation Net Revenue to Bankruptcy	\$2.5M	\$2.6M
<b>Total Other</b>	<b>\$31.2M</b>	<b>\$17.2M</b>

Note: Total Modified Budget and Total YTD Actuals exclude internal transfers

**OC WASTE & RECYCLING**  
**Cash Balances**  
**FY 2013/2014 – FY 2017/2018 as of March 31, 2018**

FUND Description	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18 As of 3/31/2018
299 OC Waste & Recycling Enterprise / Operating *	\$122.63 M	\$145.66 M	\$166.22 M	\$180.07 M	\$157.35 M
273 Capital Project Fund	\$44.59 M	\$24.63 M	\$15.73 M	\$16.98 M	\$46.72 M
285 Bankruptcy Recovery Plan	\$2.12 M	\$6.26 M	\$1.35 M	\$7.39 M	\$24.87 M
<b>Operating Cash</b>	<b>\$169.33 M</b>	<b>\$176.56 M</b>	<b>\$183.30 M</b>	<b>\$204.45 M</b>	<b>\$228.95 M</b>
275 Environmental Reserve (Liabilities)	\$69.73 M	\$71.06 M	\$72.90 M	\$58.81 M	\$59.78 M
279 Landfill Post-Closure Maintenance	\$139.91 M	\$148.57 M	\$143.16 M	\$132.71 M	\$125.74 M
<b>Cash Earmarked for Future Obligations</b>	<b>\$209.64 M</b>	<b>\$219.63 M</b>	<b>\$216.06 M</b>	<b>\$191.52 M</b>	<b>\$185.52 M</b>
274 Corrective Action Escrow	\$7.13 M	\$8.17 M	\$8.22 M	\$8.29 M	\$8.34 M
276 Deferred Payment Security Deposits	\$0.56 M	\$0.54 M	\$0.55 M	\$0.65 M	\$0.67 M
284 Bee Canyon Landfill Escrow (Closure)	\$28.95 M	\$29.05 M	\$29.22 M	\$29.45 M	\$29.64 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
286 Brea-Olinda Landfill Escrow (Closure)	\$38.58 M	\$38.71 M	\$38.93 M	\$39.25 M	\$39.50 M
287 Prima Deshecha Landfill Escrow (Closure)	\$20.39 M	\$20.46 M	\$20.58 M	\$20.74 M	\$20.88 M
288 FRB Wetland Creation & Agua Chinon Wash Riparian	\$0.88 M	\$0.88 M	\$0.88 M	\$0.88 M	\$0.88 M
<b>Restricted Cash</b>	<b>\$96.60 M</b>	<b>\$97.92 M</b>	<b>\$98.47 M</b>	<b>\$99.36 M</b>	<b>\$100.02 M</b>
<b>TOTAL CASH</b>	<b>\$475.58 M</b>	<b>\$494.11 M</b>	<b>\$497.83 M</b>	<b>\$495.33 M</b>	<b>\$514.49 M</b>

Note(s):

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