



AGENDA
September 10, 2020 Meeting of the
OC WASTE MANAGEMENT COMMISSION

First District	Juan Villegas, City of Santa Ana Kimberly Ho, City of Westminster Tri Ta, City of Westminster*
Second District	Joe Carchio, Public David Harrington, City of Aliso Viejo Rob Johnson, City of Cypress*
Third District	Commission Vice Chair Beth Haney, City of Yorba Linda Mark Newgent, Public Mike Alvarez, City of Orange*
Fourth District	Megan Moscol, Public Tamara Wallace, Public Commission Chair Christine Marick, City of Brea*
Fifth District	Donald Froelich, Public Joe Soto, Public Cynthia Conners, City of Laguna Woods*
At Large	David J Shawver, City of Stanton*
City Manager Rep.	Jarad Hildenbrand, City of Stanton*
OCWR Director	Tom Koutroulis

*City Selection Appointee

A G E N D A
OC WASTE MANAGEMENT COMMISSION
THURSDAY, September 10, 2020 – 2 P.M.

*****NOTICE*****

Pursuant to the provisions of California Governor Gavin Newsom’s Executive Order N-29-20, issued March 17, 2020, this meeting will be held virtually, via WebEx teleconference/online conferencing. While the virtual conference will originate from the CAS Building, 601 N. Ross St., Room 500, Santa Ana, physical presence there will be limited to OC Waste & Recycling staff and the Commission Chair.

**To participate in the meeting by phone: Call 213-306-3065
then enter Meeting ID 133 486 2282.**

Public comments: Must be submitted by email to ruth.wardwell@ocwr.ocgov.com no later than 12 p.m., Thursday, September 10. Please indicate in the subject line: “FOR PUBLIC COMMENT.” Comments submitted by 12 p.m. will be part of the public record and presented to the Commission Chair who will call upon the requester during Section VII of the teleconference.

In compliance with the American With Disabilities Act, those requiring reasonable accommodations for this meeting should notify OC Waste & Recycling 72 hours prior to the meeting at ruth.wardwell@ocwr.ocgov.com or 714-834-4060.

I. PLEDGE OF ALLEGIANCE

II. ROLL CALL Commission Clerk

III. CHAIR’S REPORT Commissioner Christine Marick

IV. DIRECTOR'S REPORT Tom Koutroulis

V. ACTION ITEM RECAP Commission Clerk

VI. AGENDA ITEMS:

AGENDA ITEM 1: Minutes of Waste Management Commission June 11, 2020
Summary: Review minutes.
Recommended Action: Review and approve minutes.

AGENDA ITEM 2: Budget and Financial Update
Summary: Staff will provide financial/tonnage updates, including impacts of COVID-19
Recommended Action: Receive and file report.

- AGENDA ITEM 3:** Unincorporated Areas Franchise Agreements
Staff will report on the status of the County's agreements with haulers serving the unincorporated areas, for which the County has jurisdictional responsibility.
Recommended action: Receive and file report
- AGENDA ITEM 4:** Local Task Force Ad Hoc Subcommittee
Commission will form Countywide Integrated Waste Management Plan (CWIMP) Ad Hoc Committee to conduct required five-year review. [2016 CWIMP Document](#)
Recommended Action: Form subcommittee; receive and file.
- AGENDA ITEM 5:** Report on AB 939 Surcharge-Funded Programs
Summary: Staff will provide an update of OCWR's virtual outreach activities and announce a new program with OCDE.
Recommended Action: Receive and file report.
- AGENDA ITEM 6:** Legislative Update
Summary: Staff will provide an update of current and emerging California legislation related to solid waste management.
Recommended Action: Receive and file report.
- AGENDA ITEM 7:** Waste Industry Presentation TBD
Summary: CalRecycle managers will discuss the SB1383 Compliance Process, including COVID-19 impacts.
Recommended Action: Receive and file report.

VII. COMMISSIONER COMMENTS

VII. PUBLIC COMMENTS

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.

To obtain copies of Waste Management Commission Agenda packets you may either:

- Visit <http://oclandfills.com/about-us/waste-management-commission>
- Request in writing: OC Waste & Recycling, 601 N. Ross Street, 5th Floor, Santa Ana, CA 92701.
- Call or email the Commission Clerk; (714) 834-4060. Ruth.Wardwell@ocwr.ocgov.com.

NEXT MEETING:

Thursday, December 11, 2020 – 2 p.m.

Tentative Location Pending Social Distancing Guidelines at the time:

County Administration South, Room 103/105 - 601. N. Ross St., Santa Ana, CA 92701

REGULAR (VIRTUAL) MEETING OF THE WASTE MANAGEMENT COMMISSION/ LOCAL TASK FORCE June 11, 2020 Via Skype

AGENDA ITEM 1 – Minutes of Waste Management Commission/ Local Task Force Meeting

Held VIRTUALLY Thursday, June 11, 2019 – 2 P.M. at OC Waste & Recycling Headquarters, 601 N. Ross St., Santa Ana

Call to Order

Chairwoman Christine Marick called the meeting to order at 2:05 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chairwoman Marick

ROLL CALL (✓ - present, EX - excused absence, AB - absent)

<i>1st District</i>	<i>2nd District</i>	<i>3rd District</i>
Tri Ta ✓	David Harrington AB	Beth Haney ✓
Kimberly Ho ✓	Joe Carchio ✓	Mark Newgent ✓
Juan Villegas EX	Rob Johnson ✓	Mike Alvarez ✓
<i>4th District</i>	<i>5th District</i>	<i>County Wide</i>
Megan Moscol ✓	Chair Donald Froelich ✓	David J. Shawver ✓
Tamara Wallace ✓	Joe Soto ✓	Tom Koutroulis ✓
Christine Marick ✓	Cynthia Conners ✓	City Manager - vacant

Other Attendees: See attachment

CHAIRWOMAN'S REPORT

Past Chair Donald Froelich recognized for his service and leadership.

Mark Denny vacated City Manager Representative seat; City Selection Committee meeting this month and will appoint new representative.

All commissioners required to complete the two-hour ethics training again in 2020.

Impressive how OCWR has been able to continue operations and outreach while dealing with COVID-19 and all the adaptations.

DIRECTOR'S REPORT

OCWR continues progress toward a number of important outcomes in 2020:

- Continue to lead the regional response as we expand our essential public service to recycle more.
- Launch construction and open full-scale, commercial composting operations at FRB and Prima, with Olinda on the 2021 horizon. Please stay tuned for an invitation to a celebratory grand opening of Bee Canyon Greenery later this summer.
- Complete permit extension process to continue Olinda Alpha Landfill operations beyond 2021.
- Continue permitting process for Zone 4 development at Prima; expect construction to begin in 2022.
- Complete construction of Phase VIIIA-1 at FRB.
- Participate in mattress recycling and continue to explore resource recovery opportunities such as metal and cardboard.
- Increase our public outreach and education and increase the number of tours to be able to reach more members of the public with our story. Seeing is believing.

DIRECTOR'S REPORT continued

Throughout the COVID-19 situation, OCWR and our HHW collection centers have remained open as essential public services. The most significant impacts to the department have been the closure of some recycling facilities, an increase in public disposal at Olinda and Prima, cancellation of landfill tours and the County hiring freeze. We continue to wear face coverings and employ social distancing and telecommuting.

Link to the video that was unable to be played: <https://vimeo.com/418668040>

CLERK'S ACTION ITEM REPORT

Still waiting for the end COVID-19 health mitigations until we can re-start landfills tours.

AGENDA ITEM 1: Minutes of Waste Management Commission/Local Task Force,
June 11, 2020

MOVED: Commissioner Soto

SECONDED: Commissioner Johnson

ABSTAINED: -

APPROVED: yes

AGENDA ITEM 2: OC Waste & Recycling FY 2019/20 Third Quarter Financial Report

Questions:

Commissioner Conners – Has there been an uptick in household cleanup disposal?

MOVED: Commissioner Carchio

SECONDED: Commissioner Johnson

ABSTAINED: -

APPROVED: yes

AGENDA ITEM 3: Legislative and Regulatory reports/updates

Brian Probolsky reported: Little activity in Sacramento due to COVID. Several key leadership changes at CalRecycle.

MOVED: Commissioner Alvarez

SECONDED: Commissioner Haney

ABSTAINED: -

APPROVED: yes

AGENDA ITEM 4: Report on AB 939 Surcharge-Funded Programs and Outreach

Irene Alosno reported event and outreach highlights: Due to COVID, Discovery Cube activities on hold. Virtual outreach activities continue.

MOVED: Commissioner Carchio

SECONDED: Commissioner Ho

ABSTAINED: -

APPROVED: yes

AGENDA ITEM 5: Waste Industry Presentation

Mike Learakos, executive director, Waste Not OC, presented “A Real Time Look at SB1383 Edible Food Recovery Data and Reporting.” He discussed WNOOC’s status relative to changes cities are making in response to SB 1383.

Questions:

Commissioner Shawver asked about virus protection protocols.

MOVED: Commissioner Haney

SECONDED: Commissioner Alvarez

ABSTAINED: -

APPROVED: yes

COMMISSIONER COMMENTS

None

PUBLIC COMMENTS

None

Meeting Adjourned at 3:30 p.m.



Agenda Item 2 – *Budget, Financial and Tonnage Update*

Summary:

OCWR Budget Manager Trang Doan will provide the FY19/20 Year-End financial report and discuss highlights and trends, including COVID-19 impacts.

Strategic Projects Manager Steven Halligan will report on tonnage activity and trends.

Recommended Action: Receive and file report.

ATTACHMENTS

Narrative Summary



Agenda Item 2 – *OC Waste & Recycling’s FYE 19/20 Financial Report* ***Trang Doan, Financial Services Section Manager***

This report presents the financial status of OC Waste & Recycling for Fiscal Year-End 2019/2020 and the financial information related to tonnage, expenditures, revenues, and cash balances.

System Tonnage

Total OC Waste & Recycling system tonnage received in FY 19/20 was 5,173,515 tons, consisting of 3,325,884 in-county tonnage and 1,847,630 importation tonnage. In-county tonnage has risen by 2.9% from last fiscal year. Importation tonnage has decreased by 3.6%. By landfill site, FY 19/20 tonnage was as follows:

Olinda Alpha Landfill

In-county tonnage 1,233,682 (37.1%) of total in-county tonnage
Importation tonnage 844,962 (45.7%) of total importation tonnage

Frank R. Bowerman Landfill

In-county tonnage 1,608,037 (48.4%) of total in-county tonnage
Importation tonnage 884,763 (47.9%) of total importation tonnage

Prima Deshecha Landfill

In-county tonnage 485,479 (14.5%) of total in-county tonnage
Importation tonnage 117,905 (6.4%) of total importation tonnage

Revenues

For FY 19/20, revenue recorded in OC Waste & Recycling’s Enterprise/Operating (Fund 299) was \$160,736,496 versus the modified revenue budget of \$153,280,924. Primary sources of revenue received in FY 18/19 included:

- \$116,909,450 Disposal Fees & Services (76%% of total revenue received)
- \$29,404,147 Operating Reimbursement from Importation (18.3%)
- \$4,568,939 Leases & Royalties (2.8%)
- \$4,318,621 Interest Income (2.7%)

For FY 19/20, revenue recorded in OC Waste & Recycling’s Capital Project Fund (Fund 273) was \$16,685,748 or 100% of the modified revenue budget of \$16,685,748. Revenue received includes interest earnings of \$451,301 and transfers-in of \$16,234,447 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 19/20, revenue recorded in OC Waste & Recycling’s Importation Net Revenue Sharing Fund (Fund 295) was \$53,369,704 or 90.3% of the modified revenue budget of \$59,081,364.

Revenue received includes interest earnings of \$852,818 and importation tonnage revenue of \$52,516,886.

Expenditures

FY 19/20 expenditures and encumbrances recorded in OC Waste & Recycling's Enterprise/Operating (Fund 299) totaled \$ 133,447,237 or 77.4% of the modified expense budget of \$172,391,068.

FY 19/20 expenditures and encumbrances recorded in OC Waste & Recycling's Capital Project Fund (Fund 273) was \$9,534,922. This includes the capitalization of completed capital projects and the recording of depreciation during fiscal year-end 2019/2020. Actual spending on capital projects during the year was \$8,075,737 or 41% of the modified expense budget of \$19,534,524.

For FY 19/20, OC Waste & Recycling's major categories of expenditures including postclosure maintenance (PCM) were:

- \$54,121,136 Services & Supplies (39.6%)
- \$27,898,312 Salaries & Employee Benefits (20.4%)
- \$18,673,330 Importation Net Revenue Sharing (13.7%)
- \$11,935,557 Equipment (8.7%)
- \$9,494,276 Taxes, Fees, Assessments (6.9%)
- \$8,075,737 Capital Project (5.9%)
- \$5,647,869 Postclosure Maintenance (4.1%)
- \$869,417 AB 939 Surcharge Program Spending (0.6%)

Cash Balance and Reserves

As of June 30, 2020, the OC Waste & Recycling's Enterprise/Operating Fund 299 had a cash balance of \$238,123,294.

As of June 30, 2020, the OC Waste & Recycling's Enterprise/Operating Fund 299 had an available reserves balance of \$112,378,186.

Should you have any questions or would like additional information, please contact Trang Doan, OC Waste & Recycling – Financial Services Section 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 2019/2020 Overview
2. System-Wide Tonnage Trend – FY 2004/2005 to 2019/2020
3. System-Wide Tonnage Revenue – FY 2014/2015 to 2019/2020
4. Fund 299, Fund 295 and Fund 273 Revenue – FY 2019/2020 Actuals to Budget
5. Fund 299, Fund 295, and Fund 273 Expenditures – FY 2019/2020 Actuals to Budget
6. Cash Balances – FY 2015/2016 to FY 2019/2020

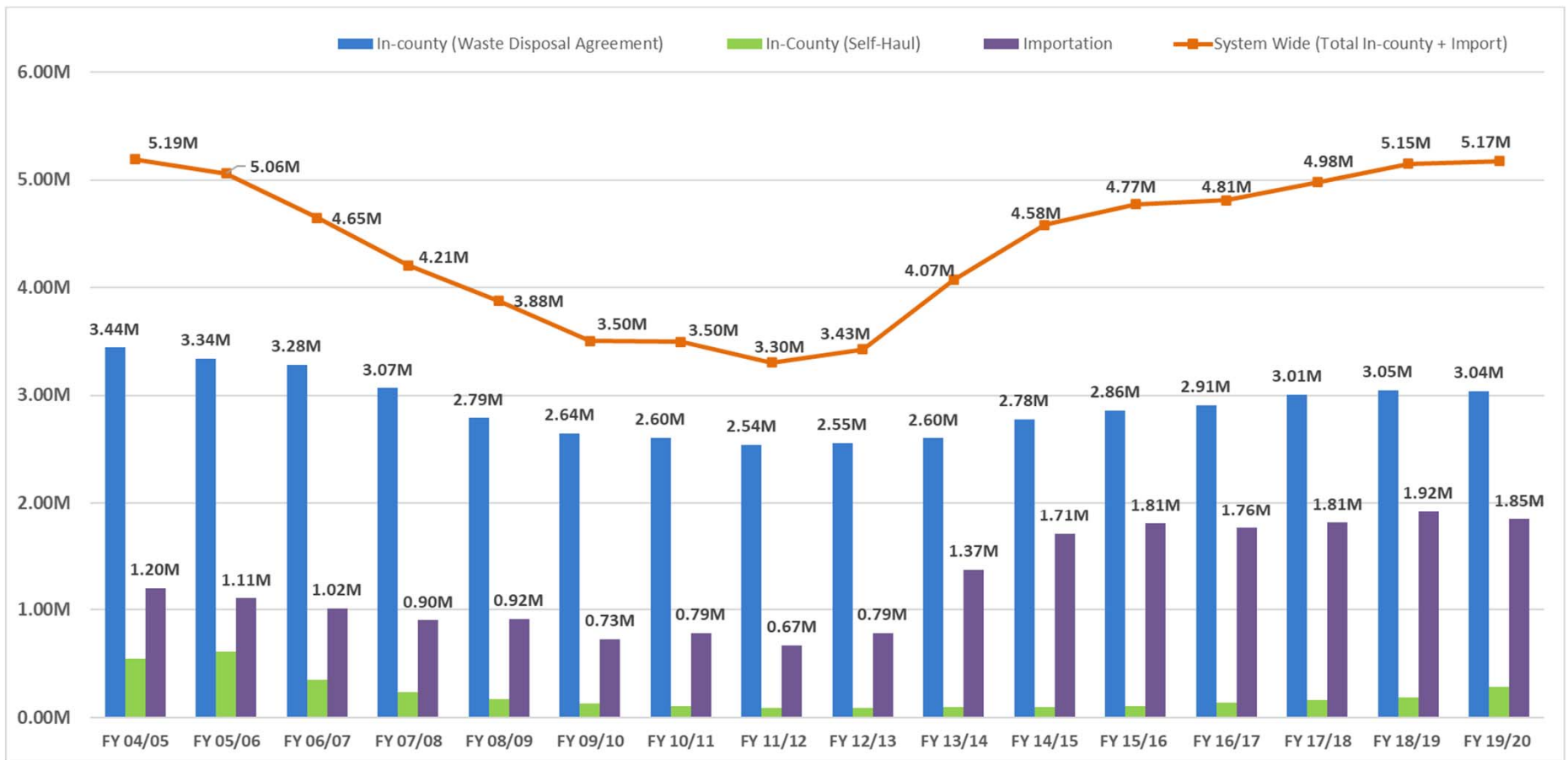
OC WASTE & RECYCLING FY 2019/2020 Tonnage, Revenue and Expenditures Summary Fiscal Year End as of June 30, 2020

	FY 19/20 Adopted Budget	FY 19/20 Modified Budget	FY 19/20 As of FYE 6/30/20	YTD Actuals (% of Modified Budget)
System-Wide Tonnage				
<i>In-County Tonnage</i>	3,145,000	3,145,000	3,325,884	105.8%
<i>Importation Tonnage</i>	1,900,000	1,900,000	1,847,630	97.2%
Total System-Wide Tonnage	5,045,000	5,045,000	5,173,515	102.5%
Enterprise/Operating (Fund 299)				
<i>Revenues</i>	\$ 152,429,000	\$ 153,280,924	160,736,496	104.9%
<i>Expenditures</i>	\$ 148,373,906	\$ 172,391,068	133,447,237	77.4%
Capital Projects (Fund 273)				
<i>Revenues</i>	\$ 16,283,000	\$ 16,685,749	16,685,748	100.0%
<i>Expenditures ^[1]</i>	\$ 32,105,102	\$ 38,117,293	9,534,922	25.0%
Importation (Fund 295)				
<i>Revenues ^[2]</i>	\$ 55,375,000	\$ 59,081,364	53,369,704	90.3%
<i>Expenditures ^[2]</i>	\$ 55,375,000	\$ 59,228,203	53,369,704	90.1%

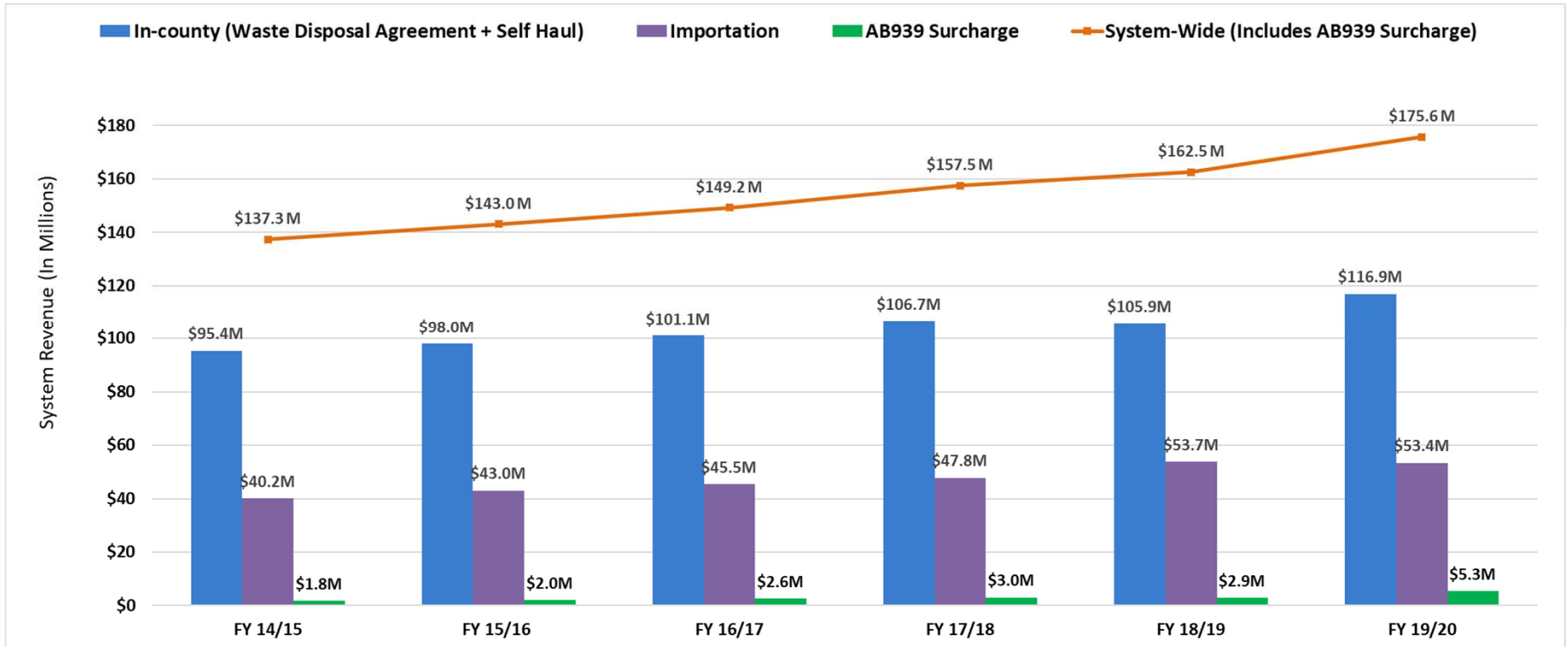
[1] Fund 273 Expenditures also included accounting entries for annual depreciation, and year-end capitalization of capital projects

[2] Fund 295 Budget was modified during the 2nd Available Financing projection, which happened before COVID-19 pandemic. Importation tonnage has reduced significantly since pandemic started

OC WASTE & RECYCLING System-Wide Tonnage Trend FY 2004/2005 – FY 2019/2020 Actuals



OC WASTE & RECYCLING System-Wide Tonnage Revenue Trend FY 2014/2015 – FY 2019/2020 Actuals



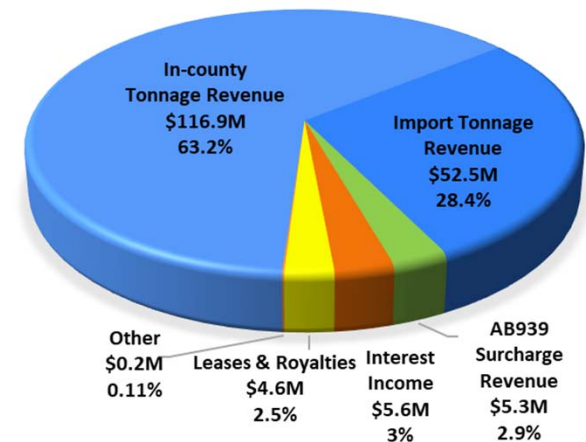
OC WASTE & RECYCLING FY 2019/2020 Revenue Budget to Actuals Fiscal Year End as of June 30, 2020

	FY 19/20 Adopted Budget	FY 19/20 Modified Budget	FY 19/20 FYE Actuals As of 6/30/20	YTD Actuals (% of Modified Budget)
Tonnage Revenue	163,558,500	167,301,165	169,426,336	101%
AB939 Surcharge Revenue	3,135,000	3,135,000	5,327,075	170%
Interest Income	4,161,000	4,161,000	5,622,739	135%
Leases & Royalties	4,447,000	4,447,000	4,568,938	103%
Other Revenues ^[1]	2,867,500	2,882,500	208,266	7%
<i>Revenue before Transfers</i>	<i>\$178,169,000</i>	<i>\$181,926,665</i>	<i>\$185,153,354</i>	<i>102%</i>
Internal Transfer ^[2]	45,918,000	47,121,372	45,638,595	97%
Transfers-in from Other Funds	-	-	-	N/A
<i>Total Revenue</i>	<i>\$224,087,000</i>	<i>\$229,048,037</i>	<i>\$230,791,949</i>	<i>101%</i>

[1] Other Revenues includes: Licenses, Permits & Franchises; Penalties; Capital Asset Sales; and other Miscellaneous Revenues.

[2] Internal Transfers are for the portion of importation revenue sharing to Fund 299 Operating, and funding for capital projects to Fund 273 Capital Project.

**Fiscal Year End 2019/2020
Operating Revenue**



OC WASTE & RECYCLING FY 2019/2020 Expenditure Budget to Actuals Fiscal Year End as of June 30, 2020

Expenditure Category	FY 19/20 Adopted Budget	FY 19/20 Modified Budget	FY 19/20 FYE Actuals As of 6/30/20	YTD Actuals (% of Modified Budget)
Services & Supplies	68,897,500	71,355,228	54,121,136	76%
Capital Projects	19,050,000	19,534,524	8,075,737	41%
Salaries & Employee Benefits	30,198,423	29,048,509	27,898,312	96%
Taxes, Fees, Assessments ^[1]	19,134,400	18,004,494	9,494,276	53%
Equipment	14,714,000	15,943,000	11,935,557	75%
AB 939 Surcharge Program Expenditures	1,106,000	1,106,000	869,417	79%
Net Import Revenue Sharing to Cities and County	17,260,000	18,701,000	18,673,330	100%
Total before Contingency, Adjustments & Transfers	\$170,360,323	\$173,692,755	\$131,067,764	75%
Contingency ^[2]	18,713,685	15,510,313	0	0%
Depreciation & Adjustments for Capitalized Assets	-	23,775,270	10,008,650	42%
Internal Transfers	46,780,000	56,758,226	55,275,449	97%
Total Expenditures	\$235,854,008	\$269,736,564	\$196,351,863	73%

Fund 279 Post-Closure Maintenance ^[3]	4,679,900	6,734,747	5,647,869	83.9%
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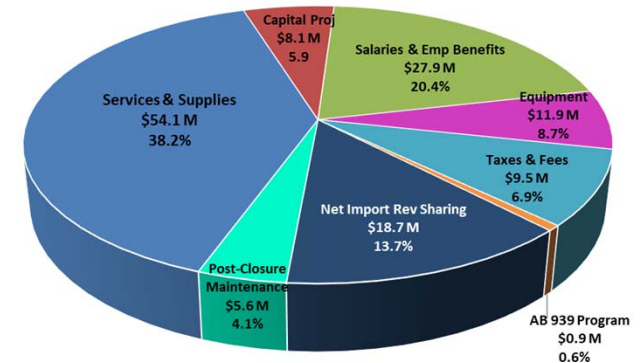
Note(s):

[1] Tax, Fees, Assessment Budget include appropriations for pension prepayment and potential one-time payments

[2] Contingency use is reported in actual expenditure category at year end

[3] Post-Closure Maintenance expenditures for Coyote Canyon and Santiago Canyon are funded by monies set aside in Fund 279.

**Fiscal Year End 2019/2020
Actual Expenditures & Encumbrances**



OC WASTE & RECYCLING Cash Balances FY 2015/2016 – FY 2019/2020 as of June 30, 2020

FUND Description	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FYE19/20 As of 6/30/20
299 OC Waste & Recycling Enterprise / Operating ^[1]	\$166.22 M	\$180.08 M	\$159.16 M	\$199.48 M	\$238.12 M
273 Capital Project Fund	\$15.73 M	\$16.98 M	\$45.50 M	\$27.59 M	\$36.04 M
295 Importation Revenue Sharing Fund ^[2]	\$1.35 M	\$7.39 M	\$35.89 M	\$34.55 M	\$40.79 M
Operating Cash	\$183.30 M	\$204.45 M	\$240.55 M	\$261.62 M	\$314.95 M
275 Environmental Reserve (Liabilities)	\$72.90 M	\$58.81 M	\$59.12 M	\$60.18 M	\$61.51 M
279 Landfill Post-Closure Maintenance	\$143.16 M	\$132.71 M	\$129.33 M	\$129.40 M	\$144.44 M
Cash Earmarked for Future Obligations	\$216.06 M	\$191.52 M	\$188.45 M	\$189.58 M	\$205.95 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	\$8.22 M	\$8.29 M	\$8.37 M	\$8.52 M	\$8.72 M
276 Deferred Payment Security Deposits	\$0.55 M	\$0.65 M	\$0.69 M	\$0.79 M	\$0.85 M
284 Bee Canyon Landfill Escrow (Closure)	\$29.22 M	\$29.45 M	\$29.74 M	\$30.29 M	\$30.98 M
286 Brea-Olinda Landfill Escrow (Closure)	\$38.92 M	\$39.25 M	\$39.64 M	\$40.37 M	\$41.29 M
287 Prima Deshecha Landfill Escrow (Closure)	\$20.58 M	\$20.74 M	\$20.95 M	\$21.33 M	\$21.82 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	\$98.37 M	\$99.25 M	\$100.26 M	\$102.18 M	\$104.54 M
TOTAL CASH	\$497.83 M	\$495.33 M	\$529.37 M	\$553.48 M	\$625.55 M

[1] Fund 299 Operating cash includes cash earmarked for AB939 Surcharge, Capital Expenditures, and Operating Reserve, and reserves to fund Postclosure.

[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.

Current balance includes FY 19/20 revenue sharing to OCWR, County and Cities.



AGENDA ITEM 3 – Unincorporated Franchise Agreements

Steven Halligan, OCWR Strategic Projects Manager, will report on the status of the County's agreements with haulers serving the unincorporated areas, for which the County has jurisdictional responsibility.

Recommended Action: Receive and file report.

ATTACHMENTS
Narrative Summary
Slides



AGENDA ITEM 4 – Local Task Force Ad Hoc Subcommittee

Summary: The Commission must form an ad hoc subcommittee, which will review the Countywide Integrated Waste Management Plan (CIWMP).

OCWR staff will update the plan, which is due to CalRecycle in March 2021.

The CWIMP and five-year review process comply with [Section 41822](#) of the California Code, Public Resources Code and [Section 18788](#) of Title 14 of the California Code of Regulations (CCR).

Click here to see the [2016 CWIMP](#)

Recommended Action: Form subcommittee; receive and file.



AGENDA ITEM 5 – Report on AB 939 Surcharge-Funded Programs

Summary:

Irene Alonso, Community Programs Manager, will report on the status of the new OCDE partnership program and the Discovery Cube as well as virtual activities and programs during COVID-19.

Recommended Action: Receive and file report.



AGENDA ITEM 6 – Legislative Update

Summary: Brian Probolsky, special projects and legislative affairs manager, will provide an update of current and emerging California legislation related to solid waste management.

Recommended Action: Receive and file report.



AGENDA ITEM 7 – Industry Presentation

Summary: CalRecycle managers will discuss the SB1383 Compliance Process, including COVID-19 impacts. Among the compliance assistance CalRecycle is providing to jurisdictions are implementation checklists, training, guidance, and model implementation tools, including models for franchise agreements, edible food recovery agreements, enforcement ordinances and procurement policies.

Recommended Action: Receive and file report.