

Waste Management Commission

Local Task Force

Chair (2nd District)
City Selection
Rob Johnson

Vice-Chair (3rd District)
Donald R. Froelich

1st District Cheryl Brothers* Juan Villegas

2nd DistrictTina M. Nieto
Joe J. Carchio

3rd District Mike Alvarez* Beth Haney

4th District
Chad P. Wanke
Christine Marick*

5th District Cynthia Conners* Joe Soto Mark Tettemer

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

Waste Management Commission

Thursday, September 13, 2018 2 p.m. 300 N. Flower St., Suite 400 Santa Ana, CA 92703

AGENDA 9/13/2018

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, June 14, 2018

Summary: Review and approve minutes of June 14, 2018

WMC/LTF meeting.

Recommended Action: Review and approve minutes.

Agenda Item 2: OC Waste & Recycling Fourth Quarter 2017/18

Financial Report

Summary: Staff will provide the OC Waste & Recycling

Financial Report for Fourth Quarter FY 17/18.

Recommended Action: Receive and file report.

Agenda Item 3: Subcommittee Report

Summary: Report of Legislative Subcommittee meeting.

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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 OC Waste & Recycling's participation in regulatory activities.

Agenda Item 5: 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 6: Location of December 13, 2018 Meeting

Summary: Discuss and bring to a vote holding the December 13, 2018 meeting at the Discovery Cube.

Recommended Action: Bring to a vote.

Agenda Item 7: Waste Industry Presentation:

Tom Koutroulis, OCWR Director, will discuss "Legislative

Impacts to Orange County's Free Diversion."

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.oclandfills.com and viewing the Waste Management Commission page.

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- 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 <u>ruth.wardwell@ocwr.ocgov.com</u>.

NEXT MEETING: Thursday, December 13, 2018

REGULAR MEETING OF THE WASTE MANAGEMENT COMMISSION / LOCAL TASK FORCE Thursday, September 13, 2018

Agenda Item 1 - Minutes of Waste Management Commission/ Local Task Force Meeting, June 14, 2018

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

	1st District		2 nd District		3 rd District	4th District		5 th District	
	Vacant	$\sqrt{}$	Rob Johnson*	1	Mike Alvarez*		Christine Marick*	ex	Cynthia Conners*
$\sqrt{}$	Cheryl Brothers*	$\sqrt{}$	Joe J. Carchio		Donald Froelich	ab	Charles J. Kim	$\sqrt{}$	Joe Soto
	Vacant		Tina Nieto		Beth Haney	ab	Chad P. Wanke	ex	Mark Tettemer
√ √	Bret Plumlee* – City Manager Tom Koutroulis, OC Waste & Recycling Director			ab *City	David Shawver* -				

Also Present:

Stu Luce Jeff Taylor, Cal Recycle Howard Levenson, Cal Recycle Cara Morgan, Cal Recycle Kristen Almarez, OCWR Jesus Perez, OCWR Debbie Killey, Republic

Call to Order

Chairman Rob Johnson called the meeting to order at 2:05 p.m.

Pledge of Allegiance

The Pledge of Allegiance was led by Vice Chair Donald R. Froelich

Roll Call

Roll call was conducted by the Commission Clerk.

Chairman's Report

Chairman Johnson introduced new Commissioner Beth Haney, a Yorba Linda City Councilwoman. He shared his impressions of the Earth Day event at Prima, calling it terrific and encouraging commissioners to attend future events. He reminded Commissioners to complete the County-required Ethics Training.

Director's Report

Director Tom Koutroulis thanked Chairman Johnson and Vice Chair Froelich for attending the Earth Day event and announced: the promotion of Karalyn Meeh to OCWR Budget, Purchasing and Landfill Administration Manager; awards received from SWANA for Landfill Management Excellence at Prima (Gold award) and NACo for the conversion of a former landfill at Yorba Park in Orange into a dog park; staff member John Arnau's award from the Irvine Ranch Conservancy for dedication; and that his presentation at the City Managers meeting will now take place August 1. He shared that the sites are performing well; pilot compost projects proceeding per plan and staff members are building needed expertise in composting.

Special guests: CalRecycle will present on SB 1383. OCWR is providing education and outreach and working to provide countywide solutions, from a regional approach.

Clerk's Action Item Report

No action items.

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

The minutes were amended as follows:

- The dates on Item 2 OCWR Financial Report were corrected; changed from FY 2016/17 to FY 2017/18
- The legislative bill called AB 1383 was corrected; changed to SB 1383.

Approved: Carchio – Seconded: Marick – Abstained: Soto

Agenda Item 2: OC Waste & Recycling FY 2017/18 Financial Report

Budget Manager Karalyn Meeh presented the report. Commissioner asked about \$32 million capital project costs. Staff response: Olinda slope improvement, FRB soil buttress and crew quarters. Commissioner Carchio asked about the duration of time and how much money is needed for the equipment refresh. Staff response: \$40 million over five years.

Commissioner Plumlee asked if the importation tonnage is anticipated to remain flat. Staff response: yes. Commissioner Alvarez asked about County recovery plan. Staff response: paid off; final payment made; in bankruptcy court to finalize all legal issues and close it out. Will we see an increase? Staff response: yes, about \$23 million. Commissioner Nieto asked if we have identified any county that is a competitor for imported waste. Staff response: none at this time. Commissioner Carchio asked about equipment expenses. Staff response: heavy equipment getting old. What is life expectancy? Staff response: 10 years.

Approved: Nieto – Seconded: Brothers The report was received and filed.

Agenda Item 3: Report on AB 939 Surcharge-Funded Programs and Outreach

Brian Probolsky reported that focus has been on SB 1383 and AB 901, which is about reporting requirements taking effect 1/1/2019. In formal rule making at this time. He is following Governor's budget to see if there will be money for infrastructure. Most of the bills we're following are related to handling of specific types of waste, such as sharps, bottle caps and organic waste.

CalRecycle doing great job collaborating to come up with solutions and minimize impacts of SB 1383.

Distribution of AB 939 surcharge-funded grant money has begun. Progress report at next meeting.

Commissioner Plumlee: Are there any leftover grant \$? Brian: No. There will be future cycles. Commissioner Carchio: Who were the grant recipients? Brian: seven recipients – Irvine, Anaheim, ITO, Discovery Cube, Katella HS, Costa Mesa Sanitary District, Waste Not OC.

Carchio: Will we continue to have Legislative subcommittee meetings? Brian: Yes, before next WMC meeting.

Communications Specialist Kevin Gaxiola discussed the Earth Day event and showed the recap video.

Commissioner Carchio: Who schedules these events? There aren't any in North County. How do you get on the schedule? Tom response: we're looking at holding open house events at all three sites. Staff: National Drive-Thru promotion at all HHWs.

Chair: Maybe we could schedule a WMC meeting off-site at the Cube.

The report was received and filed.

Approved: Soto Seconded:

Agenda Item 4: Legislative and Regulatory Report

Brian Probolsky addressed legislation in previous item and suggested would like to leave as much time as possible for Cal Recycle to present.

Approved: Nieto – Seconded: Froelich The report was received and filed.

Agenda Item 5: Waste Industry Presentation—Waste Not OC

CalRecycle presentation by Howard Levenson and Cara Morgan regarding SB 1383, which is designed to reduce short-lived climate pollutants, like methane. Climate change focus; need to reduce methane emissions from landfills by eliminating organic waste. Major paradigm shift in waste industry; time to think about longer term planning. Hard political decisions about rates. Formal rulemaking to start in September; one year to complete it.

Lively discussion with lots of questions from Commissioners Froelich, Plumlee, Nieto, Carchio, Johnson, Alvarez

Enforcement, cost increases, education, contamination, contracts, food recovery, reporting, timelines.

CalRecycle asked the WMC about ideas to educate local politicians?

Trade organization and group meetings such as WMC, City Manager meetings etc.

CalRecycle also needs to work on educating the public that these changes are happening

Approved: Nieto – Seconded: Plumlee

Commissioner Comments:

Welcomed Dr. Hanev

Los Alamitos and Yorba Linda now have organics recycling programs in place

Public Comments: None

The meeting was adjourned at 3:45 p.m.



Agenda Item 2 – OC Waste & Recycling's FYE 17/18 Financial Report Karalyn Meeh, Section Manager, Budget, Purchasing & Landfill Administration

This report presents the financial status of OC Waste & Recycling for FY 17/18. 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 17/18 was 4,979,784 tons, consisting of 3,168,700 in-county tonnage and 1,811,084 importation tonnage. In-county tonnage has risen by 3.9% from last fiscal year. Importation tonnage has increased by 2.9%. By landfill site, FY 17/18 tonnage was as follows:

Olinda Alpha Landfill

In-county tonnage 1,181,896 (37%) of total in-county tonnage Importation tonnage 928,180 (51%) of total importation tonnage

Frank R. Bowerman Landfill

In-county tonnage 1,565,288 (50%) of total in-county tonnage T773,683 (43%) of total importation tonnage

Prima Deshecha Landfill

In-county tonnage 421,516 (13%) of total in-county tonnage Importation tonnage 109,221 (6%) of total importation tonnage

Revenues

For FY 17/18, revenue recorded in OC Waste & Recycling's Enterprise/Operating (Fund 299) was \$143,658,225 versus the modified revenue budget of \$135,761,946. Primary sources of revenue received in FY 17/18 included:

- \$109,745,429 Disposal Fees & Services (76.40% of total revenue received)
- \$24,468,194 Operating Reimbursement from Importation (17.03%)
- \$4,607,655 Leases & Royalties (3.21%)
- \$2,877,405 Interest Income (2.0%)

For FY 17/18, revenue recorded in OC Waste & Recycling's Capital Project Fund (Fund 273) was \$48,666,590 or 93.7% versus the modified revenue budget of \$51,964,000. Revenue received includes interest earnings of \$416,402 and transfers-in of \$48,249,243 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) totaled \$ 156,674,270, 86.0% of the modified expense budget of \$182,152,634.

FY 17/18 expenditures and encumbrances recorded in OC Waste & Recycling's Capital Project Fund (Fund 273) totaled \$15,523,629, 23.2% of the modified expense budget of \$66,947,576.

For FY 17/18, OC Waste & Recycling's categories of major expenditures were:

•	\$48.5M	Services & Supplies (27.7%)
•	\$40.2M	Capital Project (23.0%)
•	\$26.4M	Salaries & Employee Benefits (15.1%)
•	\$13.4M	Equipment & Tangible Assets (7.7%)
•	\$18.4M	Importation Net Revenue Sharing (10.5%)
•	\$27.9M	Other (16.0%)

Cash Balance and Reserves

As of June 30, 2018, the OC Waste & Recycling's Enterprise/Operating Fund 299 had a cash balance of \$159,157,152.

As of June 30, 2018, the OC Waste & Recycling's Enterprise/Operating Fund 299 had an available reserves balance of \$63,605,743.

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

Recommended Action: Receive and file report.

Attachments:

- 1. Summary Report Fiscal Year End 2017/2018 Overview
- 2. System-Wide Tonnage FY 2004/2005 to 2017/2018
- 3. Landfill Capacity Data As of FYE 2017/2018 Actual Tonnage
- 4. System-Wide Tonnage Revenue (Excluding \$19 Surcharge) FY 2013/2014 to 2017/2018
- 5. Fund 299, Fund 285/295 and Fund 273 Revenue FY 2017/2018
- 6. Fund 299, Fund 285/295, and Fund 273 Expenditures & Encumbrances FY 2017/2018
- 7. Cash Balances FY 2013/2014 2017/2018

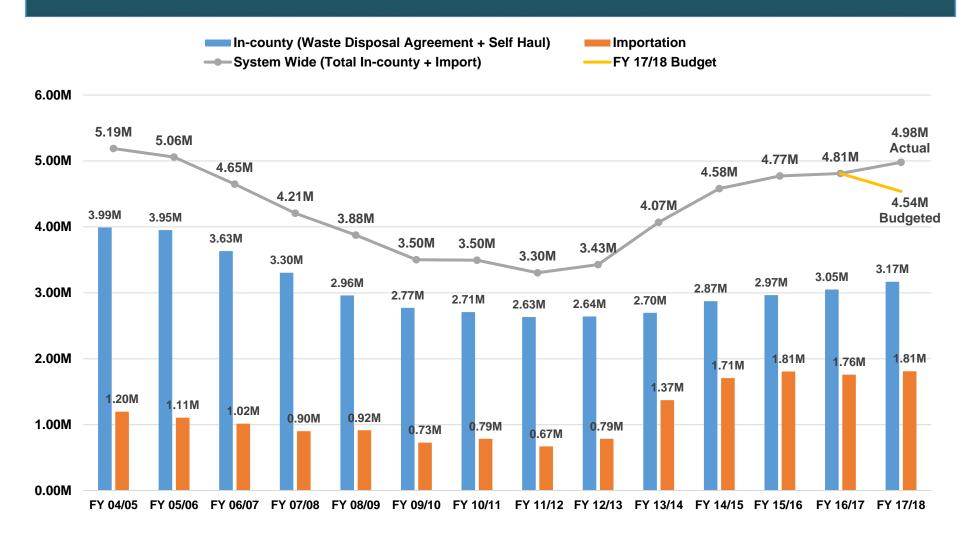
OC WASTE & RECYCLING Summary Report - Fiscal Year End 2017/2018 Fund 299, Fund 273, Fund 285 and Fund 295 Overview

	FY 17/18 Adopted Budget	FY 17/18 Modified Budget	FY 17/18 YTD Actuals as of 6/30/18 ^[1]	YTD Actuals (% of Modified Budget)
System-Wide Tonnage				
In-County Tonnage	2,820,068	2,820,068	3,168,700	112.4%
Importation Tonnage	1,718,293	1,718,293	1,811,084	105.4%
Total System-Wide Tonnage	4,538,361	4,538,361	4,979,784	109.7%
Enterprise/Operating (Fund 299)				
Revenues	\$ 119,775,103	\$ 135,761,946	\$ 143,658,225	105.8%
Expenditures	\$ 153,355,804	\$ 182,152,634	\$ 156,674,270	86.0%
Capital Projects (Fund 273)				
Revenues	\$ 51,964,000	\$ 51,964,000	\$ 48,666,590	93.7%
Expenditures	\$ 68,422,076	\$ 66,947,576	\$ 15,523,629	23.2%
Importation (Bankruptcy Recovery Fund 285)				
Revenues	\$ 47,810,000	\$ 46,447,896	\$ 43,599,494	93.9%
Expenditures ^[2]	\$ 47,810,000	\$ 46,714,513	\$ 42,357,175	90.7%
Importation (Net Revenue Sharing Fund 295)				
Revenues [2]	\$ -	\$ 41,688,439	\$ 40,326,335	96.7%
Expenditures	\$ -	\$ 41,688,439	\$ 41,688,433	100.0%

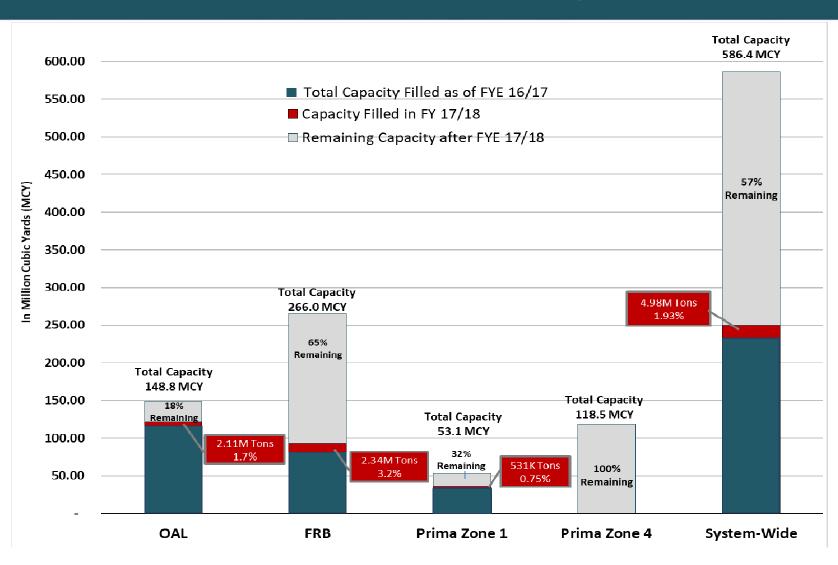
^[1] Actuals include year-end adjustments for depreciation expense, recording of capital assets and reversals of pollution remediation expense

^[2] Includes the closing of Fund 285 and transferring residual balance to the new importation fund, Fund 295.

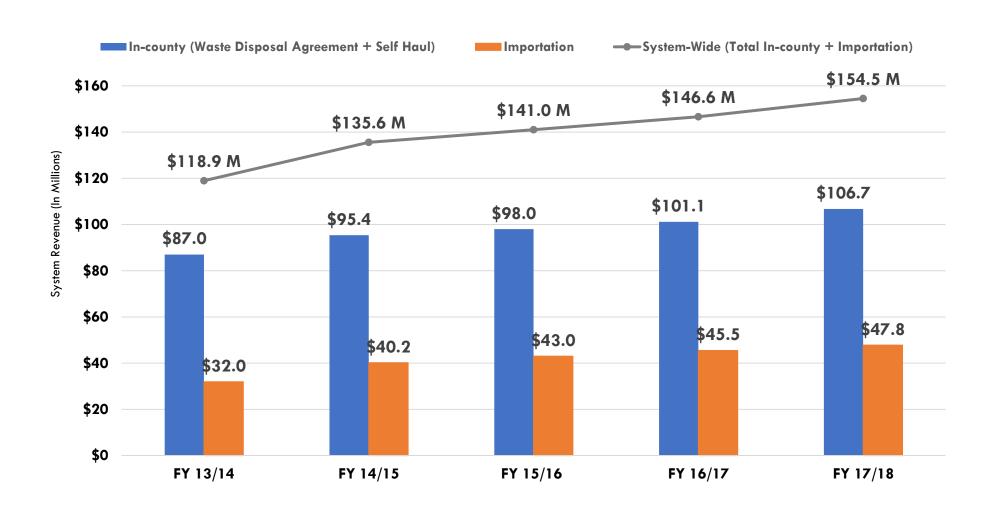
OC WASTE & RECYCLING System-Wide Tonnage FY 2004/2005 – FY 2017/2018



OC WASTE & RECYCLING Landfill Capacity Data As of FY 2017/2018 Actual Tonnage



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



OC WASTE & RECYCLING Fund 299, Fund 285/295 & Fund 273 Revenue FY 2017/2018 Actuals to Budget as of June 30, 2018

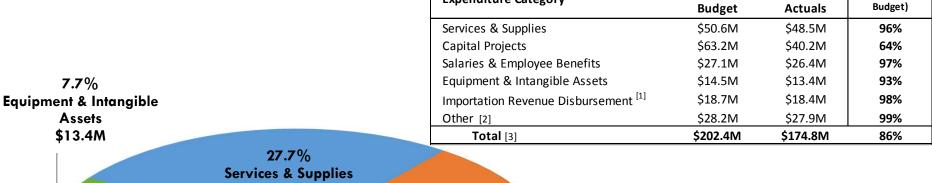
	FY 17/18 Adopted Budget	FY 17/18 Modified Budget	FY 17/18 YTD Actuals (As of 6/30/18)	YTD Actuals (% of Modified Budget)
In-County Disposal Fees & Charges for Services	101,267,500	101,267,500	109,745,429	108%
Importation Disposal Fees	47,775,000	48,066,348	47,794,773	99%
Interest Income	1,685,000	1,685,000	2,877,405	171%
Leases & Royalties	4,477,000	4,477,000	4,607,655	103%
Other Revenues [1],[2]	403,603	403,102	1,756,664	436%
Total Revenue ^[3]	\$155,608,103	\$155,898,950	\$166,781,926	107%

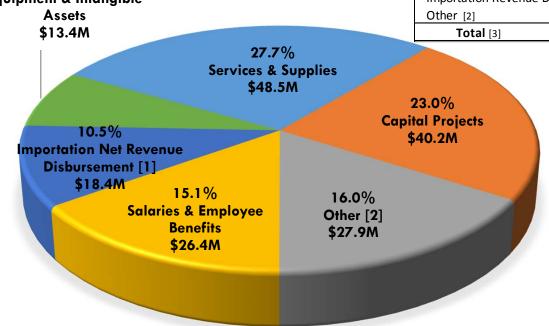
Note(s):

- [1] Other Revenues include Other Licenses & Permits, Franchises, Forfeitures & Penalties, Other Governmental Agencies Payments, Other Charges for Services, Returned Checks, Capital Asset Sales/Donation, Non-Taxable Resale and Miscellaneous Revenues.
- [2] Other Revenues is higher than budgeted due to an one-time asset donation valued at \$1.5M
- [3] Excludes internal transfers

OC WASTE & RECYCLING Fund 299, Fund 285/295 & Fund 273 Expenditures and Encumbrances FY 2017/2018 Actuals to Budget as of June 30, 2018

Expenditure Category





Notes:

[1] Includes final payment of \$2.6M for County Bankruptcy and \$15.8M for Net Importation Revenue Sharing (\$7.9M to cities and \$7.9M to County General Fund)

Modified

YTD

(% of Modified

- [2] Other expenditures include taxes & fees (\$7.2M), payments to Host Cities (\$6.8M), accrual for pollution remediation obligation (\$10.5M), and AB939 Surcharge program expenditures (\$3.4M)
- [3] Total Modified Budget and Total YTD Actuals exclude internal transfers and year-end adjustments for capital assets

OC WASTE & RECYCLING Cash Balances FY 2013/2014 – FY 2017/2018 as of June 30, 2018

FUND	Description	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
299	OC Waste & Recycling Enterprise / Operating [1]	\$122.63 M	\$145.66 M	\$166.22 M	\$180.07 M	\$159.16 M
273	Capital Project Fund	\$44.59 M	\$24.63 M	\$15.73 M	\$16.98 M	\$45.50 M
295	Importation Net Revenue Sharing Fund [2]	\$2.12 M	\$6.26 M	\$1.35 M	\$7.39 M	\$35.89 M
	Operating Cash	\$169.33 M	\$176.56 M	\$183.30 M	\$204.45 M	\$240.55 M
275	Environmental Reserve (Liabilities)	\$69.73 M	\$71.06 M	\$72.90 M	\$58.81 M	\$59.12 M
279	Landfill Post-Closure Maintenance	\$139.91 M	\$148.57 M	\$143.16 M	\$132.71 M	\$129.33 M
	Cash Earmarked for Future Obligations	\$209.64 M	\$219.63 M	\$216.06 M	\$191.52 M	\$188.45 M
274	Corrective Action Escrow	\$7.13 M	\$8.17 M	\$8.22 M	\$8.29 M	\$8.37 M
276	Deferred Payment Security Deposits	\$0.56 M	\$0.54 M	\$0.55 M	\$0.65 M	\$0.69 M
284	Bee Canyon Landfill Escrow (Closure)	\$28.95 M	\$29.05 M	\$29.22 M	\$29.45 M	\$29.74 M
272	Prima Deshecha Landfill & La Pata Avenue Gap Closure	\$0.10 M				
286	Brea-Olinda Landfill Escrow (Closure)	\$38.58 M	\$38.71 M	\$38.93 M	\$39.25 M	\$39.63 M
287	Prima Deshecha Landfill Escrow (Closure)	\$20.39 M	\$20.46 M	\$20.58 M	\$20.74 M	\$20.95 M
288	FRB Wetland Creation & Agua Chinon Wash Riparian	\$0.88 M				
	Restricted Cash	\$96.60 M	\$97.92 M	\$98.47 M	\$99.36 M	\$100.37 M
	TOTAL CASH	\$475.58 M	\$494.11 M	\$497.83 M	\$495.33 M	\$529.37 M

Note(s):

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

^[2] Fund 295 full disbursement of Importation Revenue occurs after the close of the fiscal year.



Agenda Item 3 - Subcommittee Report Legislative and Regulatory Subcommittee

Meeting held September 5, 2018



Thursday, September 13, 2018

Agenda Item 4—Legislative and Regulatory Report –Brian Probolsky, Contract & Program Support Manager

Staff will provide an update on legislation pertaining to solid waste management, and report OC Waste & Recycling's participation in regulatory activities.



Thursday, September 13, 2018

Agenda Item 5—AB939 Surcharge-Funded Programs and Outreach Report

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

New Educational Exhibit at the Cube





We can never
"over-educate"
about what goes
where to help
prevent
contamination
of recyclable
waste.

Thursday, September 13, 2018

Agenda Item 6—Location of December 13, 2018 Meeting

Chairman Johnson will propose holding the meeting at the Discovery Cube and will ask Commissioners for discussion.

Meeting Location

Pursuant to the Waste Management Commission (WMC) bylaws, the WMC has authority to set the time and location of its meetings. Under the Ralph M. Brown Act, (the Act) a meeting located at the Cube would be considered a "Special Meeting" and would, at a minimum, need to follow specific notice requirements.

Under the Act, the presiding officer or a majority of the WMC may call a Special Meeting.

Additionally, a Special Meeting must be noticed at a minimum of 24 hours in advance of the meeting to all of the legislative body members and to all media outlets and people who have requested notification of WMC meetings. The notice also must be posted in a location freely accessible to the public and should also be posted on OCWR's WMC website. Notice must include the time, place and business to be transacted at the meeting.

Several conditions must be met to have the meeting at the Cube:

- 1. The meeting must be open to the public.
- 2. Any tour that is offered of the museum must be offered to all attendees of the meeting. (Please Note: There is no gift issue here because the Cube is not offering free admission, but rather providing a supervised tour. The Cube won't be opening its doors and letting everyone do whatever they want while they are there.)
- 3. WMC members need to be advised not to discuss WMC issues in groups of nine or more (a quorum), because that would be considered a violation of the Brown Act. Instead, WMC members should enjoy the tour and refrain from discussing WMC business. If they want to discuss their experience, they can discuss their impressions at the next WMC meeting, or alternatively reconvene the meeting after the tour and have the discussion in open session.

Recommended Action: Discuss the logistical requirements for holding a public meeting at

a different venue.

A vote will be required.

Thursday, September 13, 2018

Agenda Item 7—Waste Industry Presentation

OC Waste & Recycling Director Tom Koutroulis will present "Legislative Impacts to Orange County's Free Diversion," which includes the challenges and opportunities of using processed green waste (PGM) as alternative daily cover (ADC) from a local and state perspective.

Diversion is a critical component for Orange County cities and haulers as they configure their waste management operations to meet the regulatory changes mandated by AB 1594 and pending legislation SB 1383. Currently, the landfills provide diversion for Orange County cities through the use of PGM as ADC. The current diversion is provided to Orange County cities without charge. In addition to providing diversion for the cities, it provides the landfills with a local resource used for the cover of waste and as erosion control. Under AB 1594, ADC will no longer count as diversion starting January of 2020 and it will count as disposal.