

2019 ANNUAL REPORT

LEADING CHANGE



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Director's Message

CHANGE IS CONSTANT



OC Waste & Recycling provides an essential public service, while protecting public health and the environment. Depending on your perspective, 2019 could be considered either an end or a new beginning.

It's said that the only constant in life is change. Over the past three years we've been preparing for and leading the way to some big legislative changes affecting Orange County.

Beginning in 2020, OCWR will no longer use Processed Green Material (PGM) as Alternative Daily Cover (ADC). This change is driven by both legislation and environmental concerns, and it's creating a domino effect in the local waste industry for jurisdictions and haulers.

We spent much of 2019 developing plans and building relationships toward a regional solution for the imminent, industry-transforming legislation and to augment the lack of organics recycling infrastructure. Assembly Bill 1594 and Senate Bill 1383 are reshaping the waste and recycling industry. As I've mentioned in our previous annual reports, the shifts in our industry have never been more monumental.

(continued on p.4)

**WE SPENT MUCH OF
2019 DEVELOPING
PLANS AND BUILDING
RELATIONSHIPS TO
PREPARE FOR THE
CHANGES.**



In order to prepare for the changes:

- We completed Year-2 of our ramp-up to commercial composting facilities at each of our landfills, gaining invaluable experience and expertise. These operations will create beneficial material for reuse locally as soil amendment and mulch.
- We increased outreach and held a first-of-its-kind legislative response workshop for city managers and their public works directors.
- We held meetings with haulers to determine their plans for addressing the lack of recycling infrastructure and to communicate OCWR's vision.
- We sought the necessary composting permits while performing our composting pilot projects in order to expedite moving to full-scale operations.

We are actively filling critical roles to prepare for the next wave of legislative change and enforcement, expected in 2022.

We cannot do this alone and your support is needed. More education and outreach will be coming and is key to implementation.

I hope you'll review our 2019 Annual Report to learn more about the end of traditional landfilling and the beginning of resource recovery facilities—and how OCWR is leading this change in our local waste industry.

Thank you. I hope you enjoy the 2019 Annual Report.

Tom Koutroulis



Our Mission

OC Waste & Recycling provides waste management services, protects the environment, and promotes recycling in order to ensure a safe and healthy community for current and future generations.



Organization

PROVIDING ESSENTIAL
PUBLIC SERVICES

OUR VISION

A landfill and resource recovery system that safely manages waste, recycles resources and protects the environment for Orange County residents and businesses.



<p>448,323</p>	<p>HOURS RECORDED BY OCWR EMPLOYEES</p>
<p>CALLS HANDLED AT HQ RECEPTION</p>	<p>23,324</p>



OC Board of Supervisors



MICHELLE STEEL
Chairwoman
Second District



ANDREW DO
Vice Chairman
First District



DON WAGNER
Third District



DOUG CHAFFEE
Fourth District



LISA BARTLETT
Fifth District

Waste Management Commission

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Chair, Fourth District

Beth Haney
Vice Chair, Third District

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Kimberly Ho
Tri Ta*

Second District
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Megan Moscol
Tamara Wallace

Fifth District
Donald R. Froelich
Joe Soto
Cynthia Conners*

MEMBERS AT LARGE

David J. Shawver*

CITY MANAGERS REPRESENTATIVE
Open

EX OFFICIO
Thomas D. Koutroulis

*City Selection Committee appointee

The OC Waste Management Commission advises the Board of Supervisors on matters relating to the County's solid waste disposal system and serves as the designated Local Task Force.



Leading Toward Resource Recovery

In 2019, OCWR actively pursued ways to expand our role and core functions well beyond landfilling.



Leading Toward Resource Recovery

WHAT'S IN A NAME?



In 2008 the County of Orange Board of Supervisors formally changed the name of our department from Integrated Waste Management Department to OC Waste & Recycling. Waste referred to the core function of landfilling, and recycling addressed the department's educational outreach and promotion of proper recycling behavior.

In 2019, OCWR actively pursued ways to expand our role and core functions well beyond landfilling, to more fully address the department name since Orange County residents and businesses will continue to need waste and recycling services in perpetuity. But how does a landfill system serve the public need in perpetuity when hard-closure dates are an eventuality?

The answer is a pivot. Both to preserve capacity and drive re-use of materials that can be repurposed as opposed to disposed of, such as mattresses and scrap metal, OCWR launched efforts to pivot to a Resource Recovery Facility model, targeting both organic and non-organic materials. Last year, as part of the pivot, we revised our vision statement to:

A landfill and resource recovery system that safely manages waste, recycles resources and protects the environment for Orange County residents and businesses.

CUBIC YARDS
OF PGM
COMPOSTED

764

POUNDS COLLECTED
AT HOUSEHOLD
HAZARDOUS WASTE
COLLECTION CENTERS

5,555,996

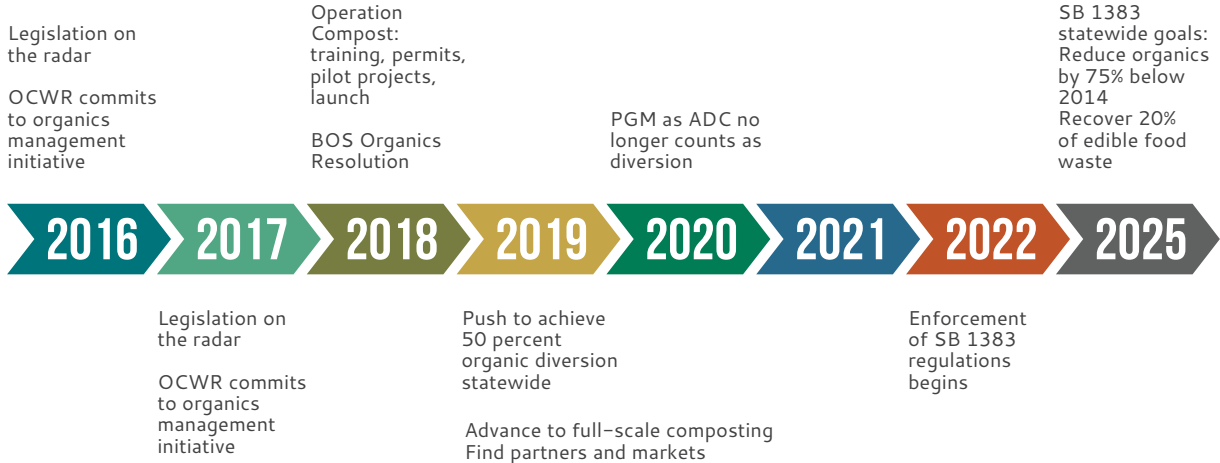
Integrating Organics

OCWR IS PREPARING TO OPERATE COMMERCIAL SCALE COMPOSTING FACILITIES

Launched initially in 2016, OCWR's Organics Management Strategic Initiative is the roadmap to the department's role and responsibilities in an industry that is steering its way through far-reaching, legislation-driven transformation. Among OCWR's action items was to establish a pilot project to test and prove the County's ability to operate a commercial-scale composting facility. In 2019 OCWR team members completed the second of a two-year pilot project. Using the residential greenwaste the landfills already receive from curbside bins, the pilots tested various methods of composting and types of equipment. Pilots were executed at all three landfill sites, and all three returned a conclusion that OCWR is prepared to operate commercial scale composting facilities.

At the same time, other team members worked on the required permitting and compliance-related activities. We executed the CEQA process steps, including Mitigated Negative Declarations (MND) and public information meetings.

ORGANICS INITIATIVE TIMELINE



A Regional Response

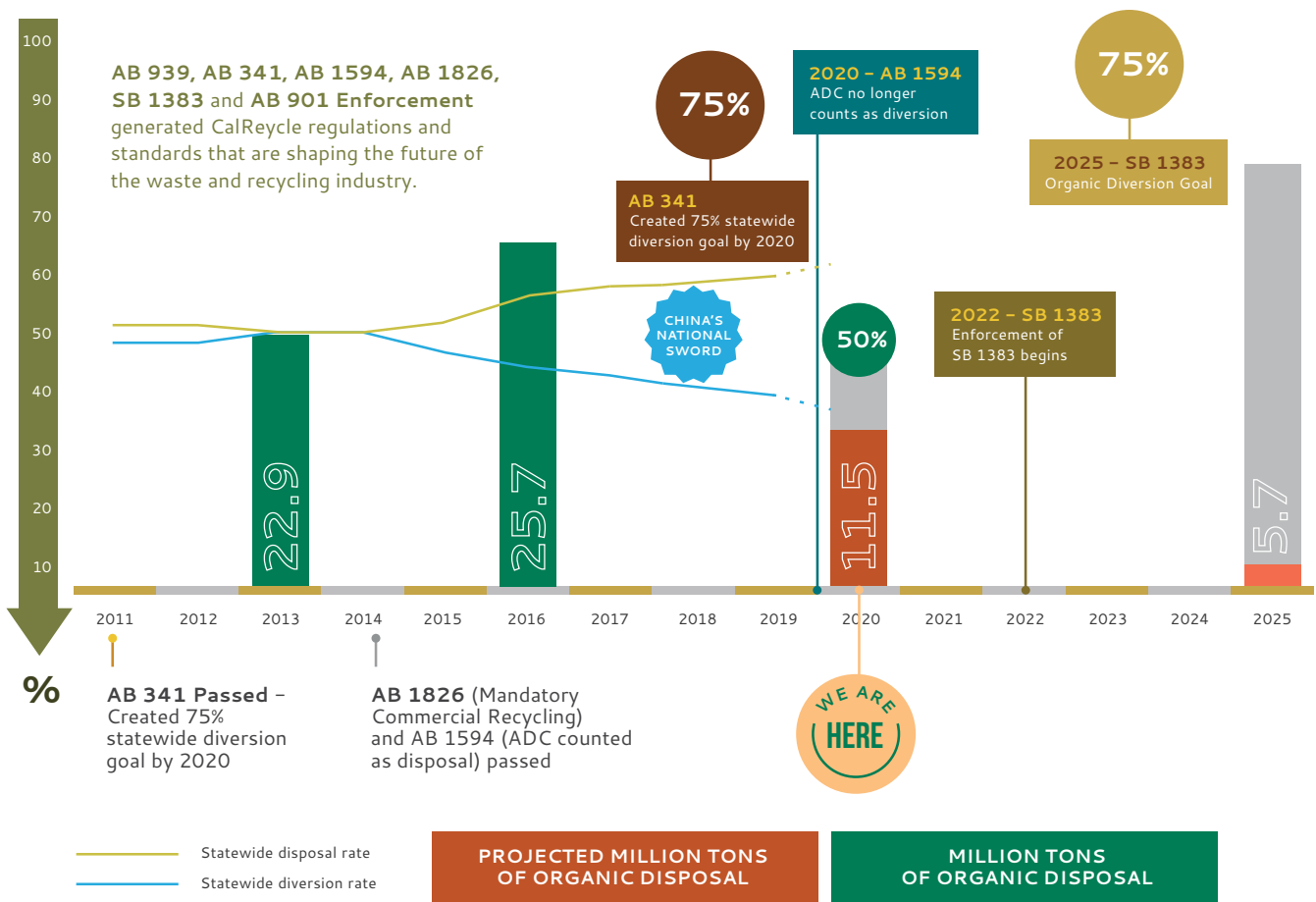
The legislation that is driving the transformation of organic waste/materials management leaves in its wake mandates for which there is grossly insufficient recycling infrastructure. But it also has provided an opportunity for OCWR to inspire and lead change for all of the County's 34 cities as well as the unincorporated areas for which it is directly responsible. The OCWR commercial-scale composting facilities will contribute significantly to infrastructure development.

In August, OCWR held a first-of-its-kind workshop to support city managers who need to prepare their elected officials to make organic waste management business and policy decisions. At that event, OCWR Director Tom Koutroulis shared that by the deadline of 2022, the County's composting operation will be positioned as an option for cities and jurisdictions that otherwise could be subject to CalRecycle fines and penalties if they fail to meet new organics mandates.

He ended his presentation with a slide that read: "If you want to go fast, go alone. If you want to go far, go together." That theme remains central to the County's approach to contributing to a regional response.

BUILDING A REGIONAL APPROACH

SB 1383 surpasses AB 939 as California's next aggressive and industry-changing legislation.





Continuing Progress

Like the famous US Postal Service mantra, "Neither snow nor rain nor heat nor gloom of night..." so too must OCWR landfill operations continue, regardless of external forces in the industry and regulatory environment.



Continuing Progress

THE SHOW MUST GO ON

A LOOK AT 2019 BY THE NUMBERS

SIMULATOR TRAINING HOURS **400**



5,145,534	TOTAL TONS OF TRASH BURIED
TONS OF GREENWASTE REUSED AT LANDFILLS	545,577
722,061	TOTAL FEE BOOTH TRANSACTIONS
TOTAL OPERATIONAL HOURS OF HEAVY EQUIPMENT	117,610





Marquee Moments



Among highlights of major capital projects and efforts to support waste disposal and environmental stewardship:

- **Mitigated intense rain events at all three sites;** the Frank R. Bowerman Landfill wetlands basin was remediated and a new water basin was constructed at Olinda Alpha Landfill.
- **Completed construction** and began disposal in new fill areas at Prima Deshecha and Frank R. Bowerman landfills.
- **Began renovation and upgrading** of the fee booths at all three sites.
- **Began permitting process** for Prima Zone 4 development to allow for simultaneous operations in both Zones 1 and 4.
- Guided by CalRecycle regulations, **launched a demonstration project** to extend the number of days a tarp can be used as daily cover from seven to 60; OCWR continues to explore this best practice cover technology.

It's Safety First and Always

More than two years ago OCWR launched an organization-wide initiative with two intended outcomes:

- To enhance the OCWR safety culture through teamwork, ownership, and compassion to ensure a sustainable safety system for our people.
- To become the first landfill in the nation to achieve SHARP (Safety & Health Achievement Recognition Program) status from OSHA (Occupational Safety and Health Administration).

Over the past year the concepts of intentional observation and immediate feedback gained significant traction. The safety culture extends to each and every OCWR employee, and many administrative staff members joined field colleagues to participate in trainings, inspections and recognition activities. The simulator training program moved from trial to full operation, providing opportunities for staff to practice heavy equipment safety protocols while operating the equipment most efficiently.

The ambitious quest for SHARP status is on the horizon, as the department's leading indicators of safety measures continue to increase, and the lagging indicators continue to decline. A new initiative launched in 2019 will contribute significantly to the quest. It is the development of Standard Operating Procedures, which codifies and documents into a "Playbook" both the relevant safety considerations and the proper action steps for completing more than 230 landfill operational tasks.



Moving Forward Together

Personal engagement at events remains one of OCWR's most important and effective outreach tools.





Moving Forward Together

COMMUNITY EDUCATION & OUTREACH

Personal engagement at events remains one of OCWR's most important and effective outreach tools. Every question posed or asked leads to conversation about the resident's role and responsibility in the local waste stream. That engagement leads to learning relative to our key educational outreach messages:

Proper recycling and preventing contamination	Preserve landfill space	Proper disposal of hazardous household waste
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And it also allows us to help residents understand the impacts of the dynamic recycling industry, including the diminishing number of CRV beverage container refund facilities.

The 41 events and presentations we executed in 2019 covered all districts in the County and directly reached more than 8,000 residents reflecting a range of age and multicultural demographics.

We added two new strategic components to our education and outreach efforts in 2019: A digital recycling resource called OC Recycle Guide and an Activity Book that teaches youth waste stream, environmental and recycling lessons in a fun, engaging medium. Through events and a partnership with OC Libraries, we have distributed more than 8,000 activity books directly to residents as well as to haulers and cities.



NUMBER OF TOUR GUESTS	1,514
LANDFILL TOURS GIVEN	119

AMBASSADOR HOURS INVESTED



COMMUNITY EDUCATION & OUTREACH EVENTS



THESE PROGRAMS REFLECT OCWR'S COMMITMENT TO PROMOTE FORWARD-THINKING IN HOW WE REDUCE WASTE

Grants

In 2019, seven organizations in Orange County continued executing projects and programs funded by the OCWR Regional Recycling and Waste Reduction Grant. The grant supports compliance with state-mandated organic waste diversion goals. These unique and innovative programs reflect OCWR's commitment to promoting creativity and forward-thinking in how we reduce waste in our landfills, especially compostable waste.

Grant recipients and their programs:

CITY OF ANAHEIM

Commercial food recovery and organics program.

CITY OF IRVINE

Commercial food recovery and organics collection program.

COSTA MESA SANITARY DISTRICT

Residential organics recycling program.

WASTE NOT OC COALITION

Helping resolve food insecurity by recovering edible food.

DISCOVERY CUBE

Education about organics and composting.

INSIDE THE OUTDOORS

Education about composting and food recovery.

KATELLA HIGH SCHOOL

School recycling and composting program.



Partnerships

OCWR continued its marquee partnerships with Discovery Cube OC, Angels Baseball and the Anaheim Ducks. More than 343,000 guests visited The Cube in 2019, including the County-sponsored EcoChallenge exhibit, learning about recycling best practices and waste diversion. Of 476 guests surveyed, 94 percent said they will change their habits to become better recyclers. The department also initiated development of an organic waste exhibit expansion set to open in Spring 2020. Our collaboration with the Angels and Ducks provided engagement opportunities with thousands of fans through game-day events, in-game promotions, educational booths, a player signing at the library and recycling collection events.

We also launched a digital toolbox of outreach materials for haulers and cities to expand outreach to their customers and residents.

Landfill Tours: A Hot Ticket

Complementing our series of events, tours are another of our most effective – and popular – tools. Tours give OCWR the opportunity to bust myths and help guests understand the purpose, value and excellence of the landfills as well as the role OCWR plays in environmental stewardship. From scout troops and elementary school classes to neighbors and university classes of future engineers, tours offer learning to everyone.

Year in Review

ADVANCING OUR MISSION

The pivot from landfilling to resource recovery powered change in every aspect of OCWR's drive in 2019 to advance our mission and fulfill our vision. Here are some of the highlights:



Olinda Alpha constructs new basin in time for record rainfall in Southern California. The landfill received approximately 22 inches of rain in 2019, more than double the average of 9 inches in 2018.

Contractors complete new crew quarters and storage facility at Frank R. Bowerman Landfill, making space for state-of-the-art simulators, the recycling trailer and other equipment.



Heavy equipment simulators become the foundation of enhanced heavy equipment safety and skills training at all three OCWR Landfills.



Year in Review

ADVANCING OUR MISSION

MARCH
03

OCWR adds recycling trailer to the education and outreach program. The 24-foot trailer was funded through a [CalRecycle Beverage Container Recycling](#) grant and collects bottles and cans from Orange County residents while promoting recycling Countywide.



APRIL

04

OCWR Speakers Bureau members educate 500 Viejo Elementary School Students during a two-day Earth Day event in the School's garden.

CalRecycle approves revised Solid Waste Facility Permit for Prima Deshecha Landfill and extends its capacity to 2102.

Board of Supervisors adopts resolution No. 19-031 directing OCWR to utilize available county resources to research opportunities and develop strategies to achieve state-imposed organics recycling mandates.



Year in Review

ADVANCING OUR MISSION

MAY 05

OCWR RECEIVES THREE NACo AWARDS:



In partnership with OCIT: OC Safety Application



OC Waste & Recycling: Organics Management Plan – Developing a Regional Organics Program



In partnership with OC Information Technology (OCIT): OCWR Neighbor Support Portal



JUNE 06

OCWR teaches Angels baseball fans how to recycle right at the Family Sunday Courtyard. Staff distributed 130 Angels tickets, 54 Discovery Cube ticket vouchers and a dozen compost worm bins to OC residents at the game.

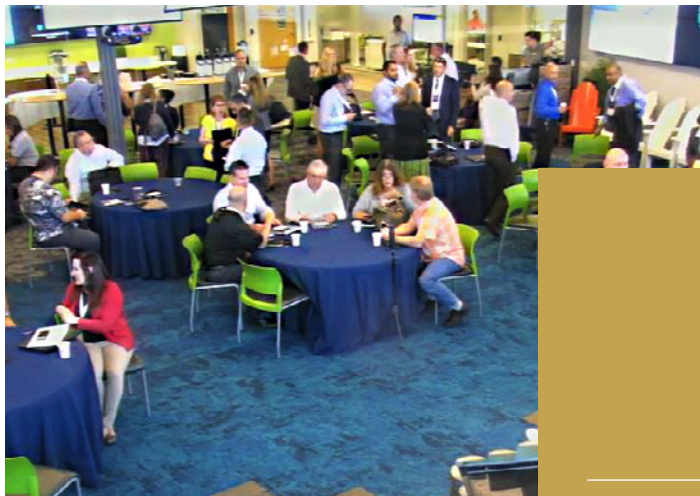
OCWR adopts a new vision statement: A landfill and resource recovery system that safely manages waste, recycles resources and protects the environment for Orange County residents and businesses.

Year in Review

ADVANCING OUR MISSION

JULY
07

Heavy equipment simulators become the foundation of enhanced heavy equipment safety and skills training at all three OCWR Landfills.



AUGUST
08

OCWR hosts Organic Waste Management Legislation Response Workshop for Orange County city managers, public works directors and recycling coordinators.

Headquarters staff move into the new County Administration South Building.

Year in Review

ADVANCING OUR MISSION



SEPTEMBER
09

OC Public Libraries partners with OCWR to host an educational outreach event at Brea Public Library featuring Angels player David Fletcher, who thrilled the more than 400 recycling and Angels fans in attendance.

OCWR launches OCRecycleGuide.com, an online tool that offers residents a central resource to discover how to properly recycle and dispose of common items.



OCTOBER

10

OCWR hosts a public information meeting for the proposed Bee Canyon Greenery and informs residents of changing legislation, recycling efforts and the department's vision for the future.

Year in Review

ADVANCING OUR MISSION



NOVEMBER

11

Anaheim Ducks partner with OCWR to hold the EcoChallenge Collection Event at the Honda Center, to promote recycling and celebrate America Recycles Day.

DECEMBER
12

Hard work by more than 125 OCWR staff members builds Phase 1 of OCWR's "Playbook" of Standard Operating Procedures (SOP), which codifies safety and technical actions for more than 230 landfill operational tasks.

Mattress Recycling Council awards OCWR three \$10,000 grants, which will help enable each of OCWR's landfill sites establish a safe, efficient mattress diversion operation.

2019 OC WASTE & RECYCLING

TEN-YEAR FINANCIAL FORECAST





OC Waste & Recycling

TEN-YEAR FINANCIAL FORECAST

HIGHLIGHTS OF TEN-YEAR FINANCIAL FORECAST

OC Waste & Recycling is responsible for the administration and management of Orange County's solid waste disposal system. The Department is structured as an enterprise fund and is primarily supported by revenues from disposal fees that are charged to customers. OC Waste & Recycling receives no tax revenues or County General Fund contributions to support its operations.

OC Waste & Recycling has actively pursued ways to expand its service provided and core functions by exploring new technologies and alternatives in waste management in addition to converting landfill gas into beneficial sources of energy. The Department is working toward a future focused on minimizing waste, increasing recycling, and utilizing renewable energies. Although landfilling continues to be an essential public service, the Department recognizes the need to evolve with technology and environmental demands to broaden its waste management services. The ultimate goal is to safely and effectively provide a valuable and reliable resource to the residents and businesses in the County of Orange for future generations.

The Ten-Year Financial Forecast included in this Annual Report is for FY 2019/20 through FY 2028/29. The projected tonnage anticipates a trend of decreasing tonnage due to the severe impacts from the COVID-19 pandemic to the US and local economy. The tonnage forecast also includes anticipated impacts from increasing recycling diversion goals, legislation for organic waste methane emissions reductions and organics recycling, and the assumption that the Olinda Alpha Landfill in Brea will close by December 31, 2021 unless a revised permit is approved and issued by the local enforcement agency (LEA), and concurred by CalRecycle.

Forecasted system revenues reflect the decreasing trend in tonnage with an increase in royalties from renewable energy and rent collected from the use of OC Waste & Recycling's properties. Net importation revenue sharing to the County has been in the range of \$8 million a year, with the same amount going to Orange County cities. However, with the assumption that the Olinda Alpha Landfill will close in December 2021, net importation revenue sharing is expected to significantly decrease from FY 2021/22 due to anticipation that disposal tonnage from Orange County cities will exhaust the permitted capacity of the County's two remaining active landfills; therefore, there will be less spare capacity to accept importation tonnage. (Schedule B. Forecasted System Revenues).

Forecasted system expenses include significant capital project costs related to the future development of the landfill system, equipment and infrastructure for organic composting and anaerobic digestion facilities, costs for research and development of other alternatives for waste management and recycling, and construction of renewable energies plants (Schedule C. Forecasted System Expenses). Expenses are projected to be higher than revenues in the years with large capital projects (CHART 2). OC Waste & Recycling will strategically utilize reserves, maximize operational efficiencies, monitor expenditures, and capitalize on potential revenue inflow from renewable energy projects to decrease the shortfall.

The schedule following CHART 1 and CHART 2 provides a two-year summary of audited financial data for fiscal years ending June 30, 2019 and 2018, respectively. In addition, detailed schedules for tonnage, revenues, expenses, cash balances and accrued closure and postclosure liabilities for the ten-year forecast period are presented in Exhibits A through G.

Chart I
SYSTEM TONNAGE

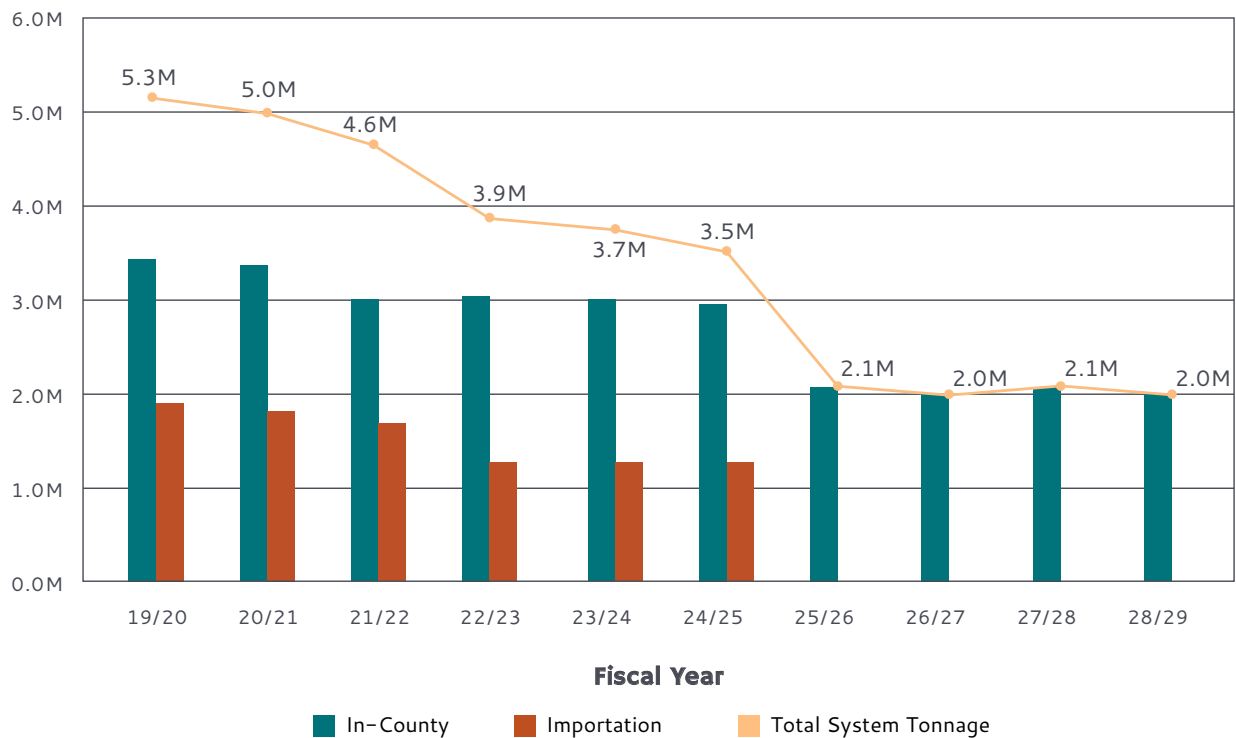
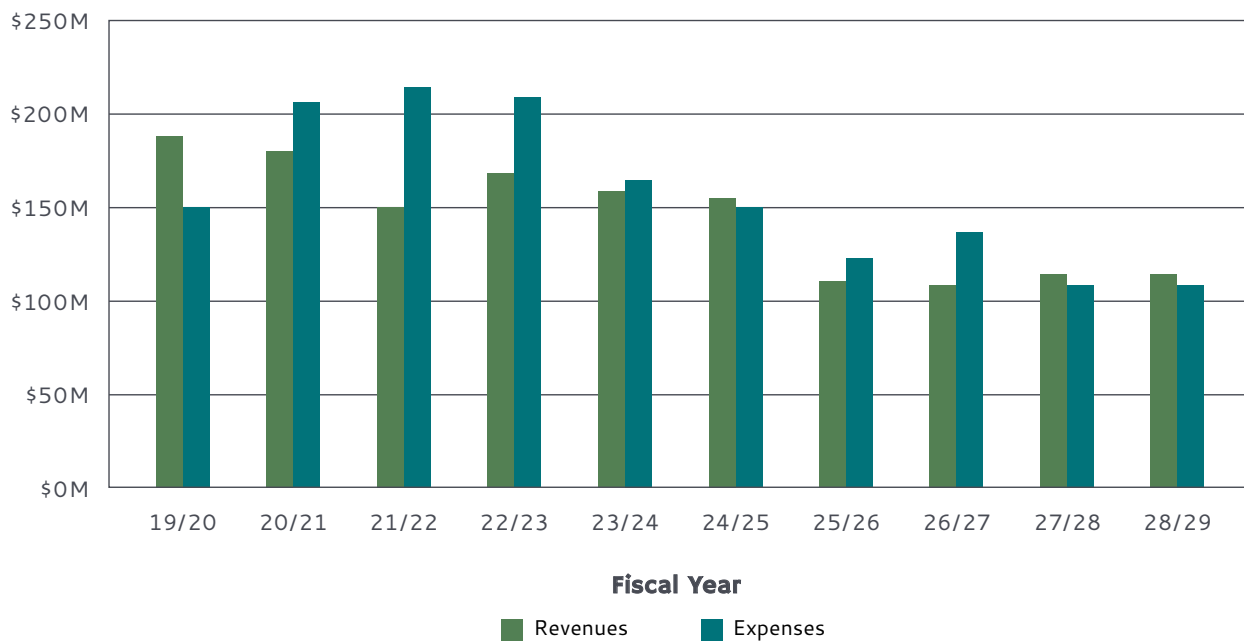


Chart 2
SYSTEM FINANCIAL PROJECTIONS - FUNDS 273, 295 AND 299





TONNAGE & AUDITED FINANCIAL DATA FOR FISCAL YEARS ENDING JUNE 30, 2019 & 2018

DISPOSAL WASTE TONNAGE^[1]

	6/30/19	6/30/18
In-County	3,231,764	3,168,700
Importation	1,916,630	1,811,084
Total System Tonnage	5,148,394	4,979,784

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE YEARS ENDED

JUNE 30, 2019 & 2018^[2]

	6/30/19	6/30/18
Total Revenues	\$ 189,300,779	\$ 168,105,374
Total Expenses	\$ 137,709,803	\$ 136,793,455
Change in Net Position	\$ 51,590,976	\$ 31,311,919

CASH BALANCES^[3]

	6/30/19	6/30/18
Enterprise/Operating Fund	\$ 201,756,489	\$ 158,709,074
Capital Project Fund	\$ 27,754,473	\$ 45,255,617
Corrective Action Escrow Fund	\$ 8,572,051	\$ 8,256,097
Environmental Reserve Fund	\$ 60,534,218	\$ 58,797,673
Deferred Payment Security Deposits Fund	\$ 791,182	\$ 689,894
Habitat Mitigation Escrow Funds	\$ 983,289	\$ 983,289

ACCRUED CLOSURE AND POSTCLOSURE^[3]

	6/30/19	6/30/18
Landfill Closure Liabilities	\$ 67,141,007	\$ 65,768,354
Landfill Postclosure Liabilities	\$ 112,616,301	\$ 100,217,293
Escrow Funds (Closure) Cash Balance	\$ 92,536,475	\$ 89,834,695
Landfill Postclosure Cash Balance	\$ 130,547,937	\$ 128,932,206

[1] Source: Disposal Reporting System (DRS) Monthly Tonnage Reports.

[2] Source: OC Waste & Recycling 2019 Audited Financial Statements and Trial Balance
(Eide Bailly LLP – Certified Public Accountants)
OC Waste & Recycling 2018 Audited Financial Statements and Trial Balance
(Varinek, Trine, Day & Co., LLP – VTD Certified Public Accountants)

[3] Source: 2nd Close Figures obtained from County financial system reports.
2nd Close Figures include adjustments and reclassifications to the General Ledger subsequent to the official June 30 year-end close.



A. FORECASTED SYSTEM TONNAGE

DESCRIPTION	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Frank R. Bowerman Landfill	1,652,355	1,633,612	1,963,054	2,297,861	2,120,982
Olinda Alpha Landfill	1,249,511	1,235,511	650,000 ^[1]	0	0
Prima Deshecha Landfill	441,365	436,358	385,954	349,497	322,594
Total In-County Tonnage	3,343,231	3,305,481	2,999,008	2,647,358	2,443,576
Frank R. Bowerman Landfill	895,836	788,667	646,440	311,639	488,518
Olinda Alpha Landfill	899,489	844,570	425,000	0	0
Prima Deshecha Landfill	121,304	110,352	500,000	988,361	811,482
Total Imported Tonnage	1,916,629	1,743,589	1,571,440	1,300,000^[2]	1,300,000
Total System Tonnage^[3]	5,259,860	5,049,070	4,570,448	3,947,358	3,743,576

DESCRIPTION	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Frank R. Bowerman Landfill	1,934,519	1,815,949	1,734,920	1,789,454	1,777,775
Olinda Alpha Landfill	0	0	0	0	0
Prima Deshecha Landfill	294,234	276,200	263,876	272,171	270,005
Total In-County Tonnage	2,228,753	2,092,149	1,998,796	2,061,625	2,047,780
Frank R. Bowerman Landfill	674,981	0	0	0	0
Olinda Alpha Landfill	0	0	0	0	0
Prima Deshecha Landfill	625,019	0	0	0	0
Total Imported Tonnage	1,300,000^[4]	0	0	0	0
Total System Tonnage^[3]	3,528,753	2,092,149	1,998,796	2,061,625	2,047,780

[1] Olinda Alpha Landfill is currently scheduled to close in December 2021. In-County tonnage to Olinda is projected to be diverted to Frank R. Bowerman Landfill after Olinda's closure.

[2] Due to daily capacity limits at Frank R. Bowerman Landfill and Prima Deshecha Landfill, total importation tonnage will decrease if Olinda Alpha Landfill closes in December 2021.

[3] System tonnage projection for the forecasted period is significantly lower than the projection in the 2018 Annual Report due to the recent COVID-19 pandemic impacts to the U.S. and local economy.

[4] Importation is scheduled to end by June 30, 2025 based on the term of the Amendment to current Waste Disposal Agreements.



B. FORECASTED SYSTEM REVENUES

DESCRIPTION	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Fund 299 Enterprise /					
Operating – Total Revenues	\$ 133,293,400	\$ 132,472,000	\$ 104,350,388	\$ 126,658,115 ^[2]	\$ 121,250,771
Fund 273 Capital Project /					
Operating – Total Revenues ^[1]	\$ 493,988	\$ 400,000	\$ 529,544	\$ 321,746	\$ 81,697 ^[1]
Fund 295 Importation Revenue					
Sharing – Total Revenues	\$ 53,885,474	\$ 49,466,516	\$ 45,813,887	\$ 38,961,513 ^[3]	\$ 40,052,435
Total Projected Revenues	\$ 187,672,862	\$ 182,338,516	\$ 150,693,819	\$ 165,941,373	\$ 161,384,902
DESCRIPTION	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Fund 299 Enterprise /					
Operating – Total Revenues	\$ 115,058,541	\$ 111,855,985	\$ 110,291,627	\$ 115,552,174	\$ 117,512,746
Fund 273 Capital Project /					
Operating – Total Revenues ^[1]	\$ 80,572	\$ 51,119	\$ 75,667	\$ 120,667	\$ 122,017 ^[1]
Fund 295 Importation Revenue					
Sharing – Total Revenues	\$ 41,173,903 ^[4]	\$ -	\$ -	\$ -	\$ -
Total Projected Revenues	\$ 156,313,015	\$ 111,907,104	\$ 110,367,293	\$ 115,672,841	\$ 117,634,763

[1] Interest earnings are the only revenue generated by Fund 273.

[2] Fund 299 Total Revenues is projected to include a new source of revenue of approximately \$13 million from Prima's Renewable Natural Gas facility starting from FY 22/23.

[3] Due to daily capacity limits at Frank R. Bowerman Landfill and Prima Deshecha Landfill, importation tonnage will decrease when Olinda Alpha Landfill closes in December 2021.

[4] Importation is scheduled to end by June 30, 2025 based on the term of the Amendment to current Waste Disposal Agreements.



C. FORECASTED SYSTEM EXPENSES

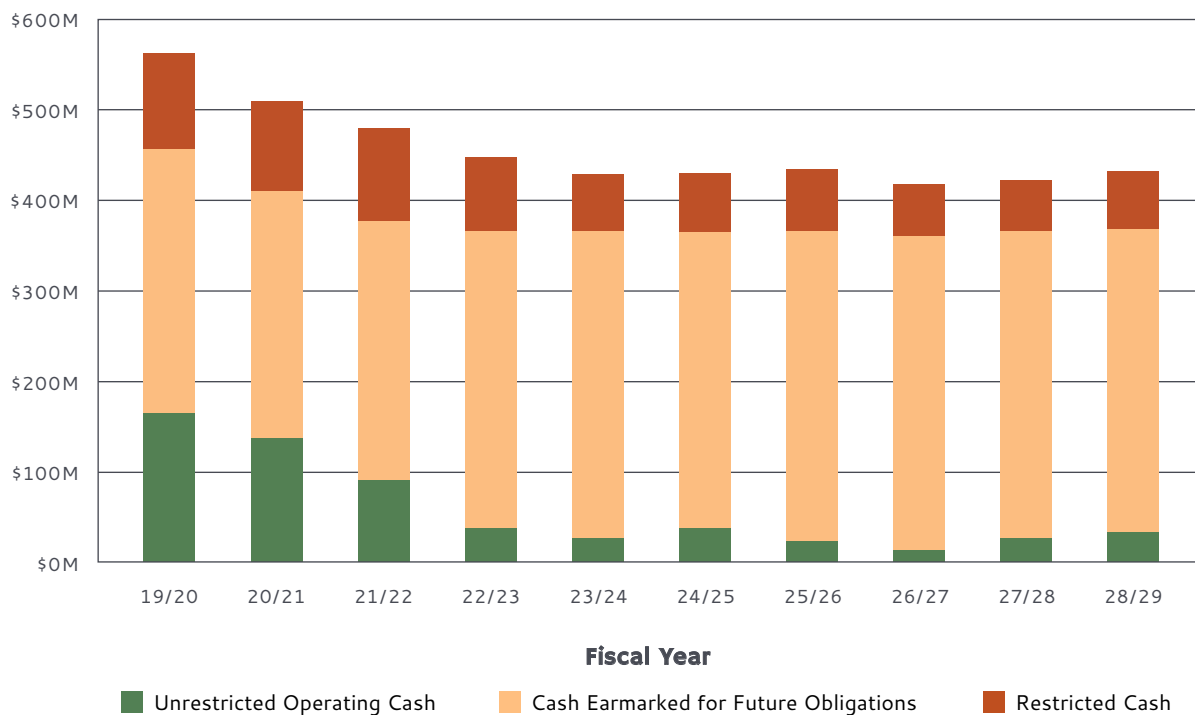
SYSTEM EXPENSES BY FUND	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Fund 299 Enterprise / Operating	\$ 114,567,507	\$ 146,949,099	\$ 119,469,425	\$ 109,238,891	\$ 118,528,781
Fund 273 Capital Project / Operating	\$ 9,828,968	\$ 37,085,000	\$ 73,992,000	\$ 83,444,332	\$ 30,100,000
Fund 295 Importation Revenue Sharing	\$ 24,807,872	\$ 20,614,094	\$ 18,301,342	\$ 15,458,454	\$ 15,785,730 ^[1]
Total System Expenses	\$ 149,204,347	\$ 204,648,193	\$ 211,762,767	\$ 208,141,677	\$ 164,414,511

SYSTEM EXPENSES BY FUND	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Fund 299 Enterprise / Operating	\$ 102,840,407	\$ 101,694,622	\$ 105,890,720	\$ 102,770,983	\$ 102,573,754
Fund 273 Capital Project / Operating	\$ 29,850,000	\$ 23,305,000	\$ 28,760,000	\$ 10,000,000	\$ 10,300,000
Fund 295 Importation Revenue Sharing	\$ 16,122,171	\$ -	\$ -	\$ -	\$ -
Total System Expenses	\$ 148,812,578	\$ 124,999,622	\$ 134,650,720	\$ 112,770,983	\$ 112,873,754

[1] Fund 295 Importation Revenue Sharing's expenses include net revenue sharing to County and cities, host fees and special tax for importation tonnage.

D. FORECASTED CASH BALANCES

Cash Balances



D. FORECASTED CASH BALANCES (CONTINUED)

ENDING CASH BALANCES	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Fund 299 – OCWR Operating Fund	\$ 130.7M	\$ 105.4M	\$ 45.7M	\$ 22.0M	\$ 14.5M
Fund 273 – Capital Project Fund	\$ 33.1M	\$ 27.9M	\$ 35.3M	\$ 21.4M	\$ 5.4M
TOTAL UNRESTRICTED					
OPERATING CASH	\$ 163.8M	\$ 133.3M	\$ 81.0M	\$ 43.4M	\$ 20.0M ^[1]
Fund 299 – Operating Cash					
Earmarked for Future Use	\$ 99.8M	\$ 107.7M	\$ 120.6M	\$ 118.6M	\$ 122.9M
Fund 275 – Environmental					
Reserves Fund	\$ 61.4M	\$ 31.4M ^[2]	\$ 42.1M ^[2]	\$ 52.8M ^[2]	\$ 73.9M ^[2]
Fund 279 – Postclosure					
Maintenance Fund	\$ 141.2M	\$ 132.6M	\$ 134.6M	\$ 151.6M	\$ 153.9M
TOTAL CASH EARMARKED FOR					
FUTURE OBLIGATIONS	\$ 302.5M	\$ 271.8M	\$ 297.3M	\$ 323.0M	\$ 350.7M
Fund 276 – Deferred Payment					
Security Deposits	\$ 0.8M	\$ 0.8M	\$ 0.8M	\$ 0.8M	\$ 0.8M
Fund 274 – Corrective Action					
Escrow Fund	\$ 8.7M	\$ 8.7M	\$ 8.8M	\$ 9.0M	\$ 9.1M
Fund 272 – Prima Landfill & La Pata					
Gap Closure Escrow Fund	\$ 0.1M ^[3]	-	-	-	-
Fund 288 – FRB Landfill Wetland					
Creation & Agua Chinon					
Mitigation Escrow Fund	\$ 0.9M	\$ 0.9M	\$ 0.9M	\$ 0.9M	\$ 0.9M
Fund 286 – Olinda Alpha Closure					
Escrow Fund	\$ 41.2M	\$ 41.9M	\$ 42.5M	\$ 21.1M	\$ 0.0M ^[4]
Fund 284 – Frank R. Bowerman					
Closure Escrow Fund	\$ 30.9M	\$ 31.5M	\$ 32.0M	\$ 32.5M	\$ 33.0M
Fund 287 – Prima Deshecha Closure					
Escrow Fund	\$ 21.8M	\$ 22.1M	\$ 22.4M	\$ 22.8M	\$ 23.1M
TOTAL RESTRICTED CASH	\$ 104.5M	\$ 105.9M	\$ 107.5M	\$ 87.0M	\$ 66.9M
TOTAL FISCAL YEAR END					
CASH BALANCE	\$ 570.8M	\$ 511.0M	\$ 485.8M	\$ 453.5M	\$ 437.6M

[1] Unrestricted Operating Cash Balance decreases in years with large capital projects.

[2] Fund 275 Cash balance's decrease in FY 2020/21 is due to additional borrowing from other County departments, which will be paid back in following years

[3] Per the agreement with the California Department of Fish and Game for habitat mitigation, requirement is estimated to end in FY 2019/20.

[4] Olinda Alpha Landfill is scheduled to close in December 2021 and enter into its closure period in 2022. Escrow monies will be used for the final closure costs.

[5] Per the agreement with the California Department of Fish and Game for habitat mitigation, requirement is estimated to end in FY 2025/26.



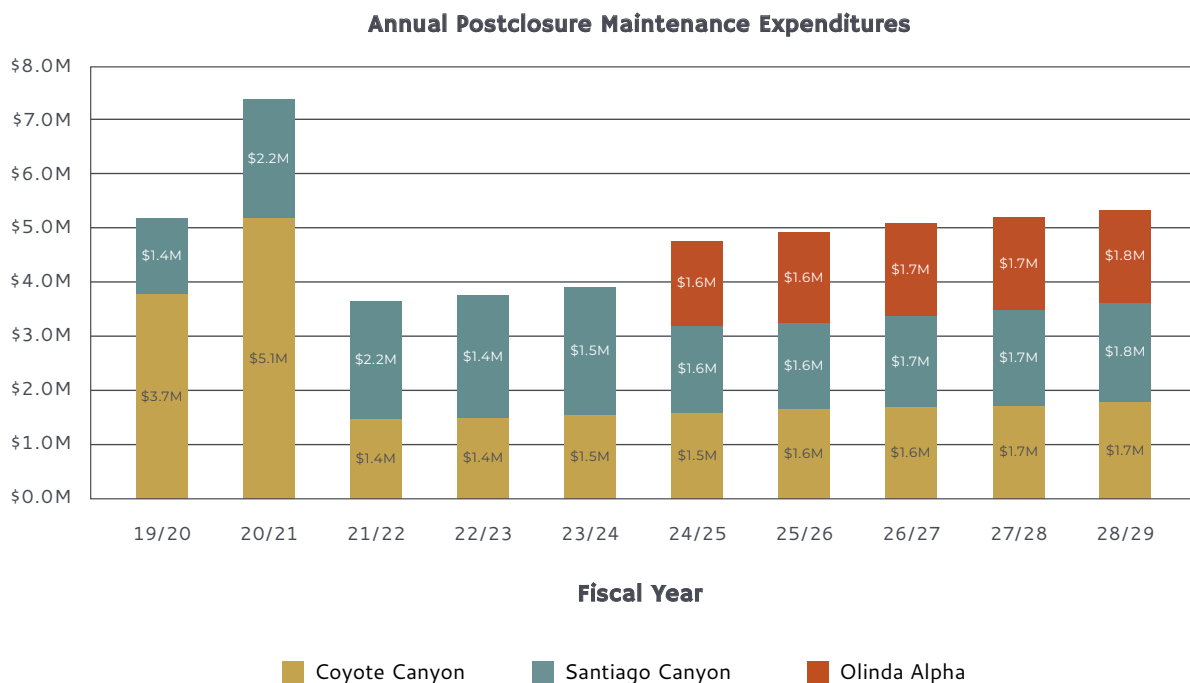
D. FORECASTED CASH BALANCES (CONTINUED)

ENDING CASH BALANCES	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
Fund 299 – OCWR Operating Fund	\$ 25.0M	\$ 11.7M	\$ 6.5M	\$ 9.6M	\$ 13.9M
Fund 273 – Capital Project Fund	\$ 5.4M	\$ 3.4M	\$ 5.0M	\$ 8.0M	\$ 8.1M
TOTAL UNRESTRICTED OPERATING CASH	\$ 30.3M	\$ 15.1M	\$ 11.5M	\$ 17.7M	\$ 22.1M ^[1]
Fund 299 – Operating Cash Earmarked for Future Use	\$ 121.0M	\$ 122.7M	\$ 106.0M	\$ 107.3M	\$ 109.2M
Fund 275 – Environmental Reserves Fund	\$ 80.0M	\$ 80.0M	\$ 80.0M	\$ 80.0M	\$ 80.0M
Fund 279 – Postclosure Maintenance Fund	\$ 149.8M	\$ 152.1M	\$ 154.4M	\$ 156.7M	\$ 159.0M
TOTAL CASH EARMARKED FOR FUTURE OBLIGATIONS	\$ 350.8M	\$ 354.7M	\$ 340.4M	\$ 343.9M	\$ 348.2M
Fund 276 – Deferred Payment Security Deposits	\$ 0.8M	\$ 0.8M	\$ 0.8M	\$ 0.8M	\$ 0.8M
Fund 274 – Corrective Action Escrow Fund	\$ 9.2M	\$ 9.4M	\$ 9.5M	\$ 9.7M	\$ 9.8M
Fund 272 – Prima Landfill & La Pata Gap Closure Escrow Fund	-	-	-	-	-
Fund 288 – FRB Landfill Wetland Creation & Agua Chinon Mitigation Escrow Fund	\$ 0.9M	\$ 0.9M	\$ 0.0M ^[5]	-	-
Fund 286 – Olinda Alpha Closure Escrow Fund	-	-	-	-	-
Fund 284 – Frank R. Bowerman Closure Escrow Fund	\$ 33.5M	\$ 34.0M	\$ 34.5M	\$ 35.0M	\$ 35.5M
Fund 287 – Prima Deshecha Closure Escrow Fund	\$ 23.5M	\$ 23.8M	\$ 24.2M	\$ 24.5M	\$ 24.9M
TOTAL RESTRICTED CASH	\$ 67.9M	\$ 68.9M	\$ 69.0M	\$ 70.0M	\$ 71.1M
TOTAL FISCAL YEAR END CASH BALANCE	\$ 449.0M	\$ 438.7M	\$ 420.9M	\$ 431.6M	\$ 441.3M

[1] Unrestricted Operating Cash Balance decreases in years with large capital projects.

[5] Per the agreement with the California Department of Fish and Game for habitat mitigation, requirement is estimated to end in FY 2025/26.

E. LANDFILL POSTCLOSURE MAINTENANCE FUND



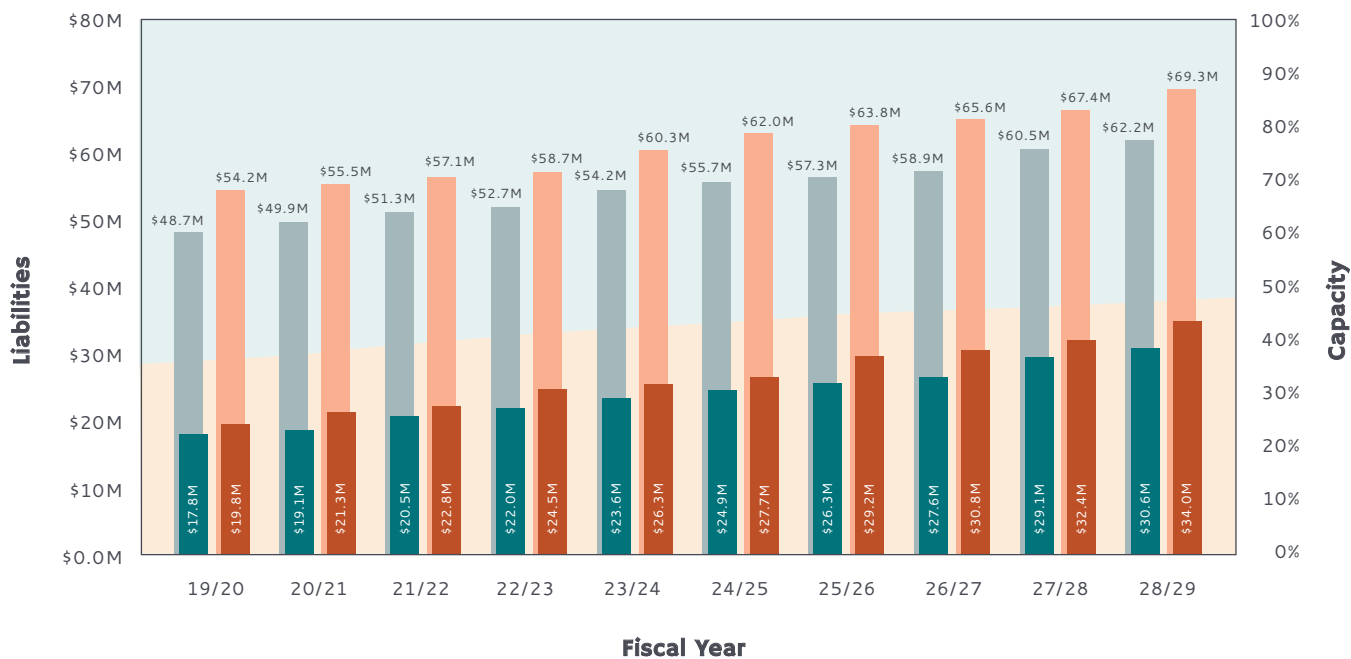
[1] FY 2019/20 and FY 2020/21 include expenditures for the replacement of the Coyote Canyon landfill gas system and repower/paving project.

[2] FY 2020/21 include the road repairs project for the Santiago Canyon Landfill. Olinda Alpha Landfill is estimated to enter into its 30-year postclosure maintenance period in FY 2024/25, upon completion of the final cover.

F. LANDFILL CLOSURE AND POSTCLOSURE LIABILITIES

Frank R. Bowerman Landfill Closure and Postclosure Liabilities

Maximum Permitted Capacity (Airspace) = 266 Million Cubic Yards



Bar Chart = Liabilities

Area Chart = Capacity

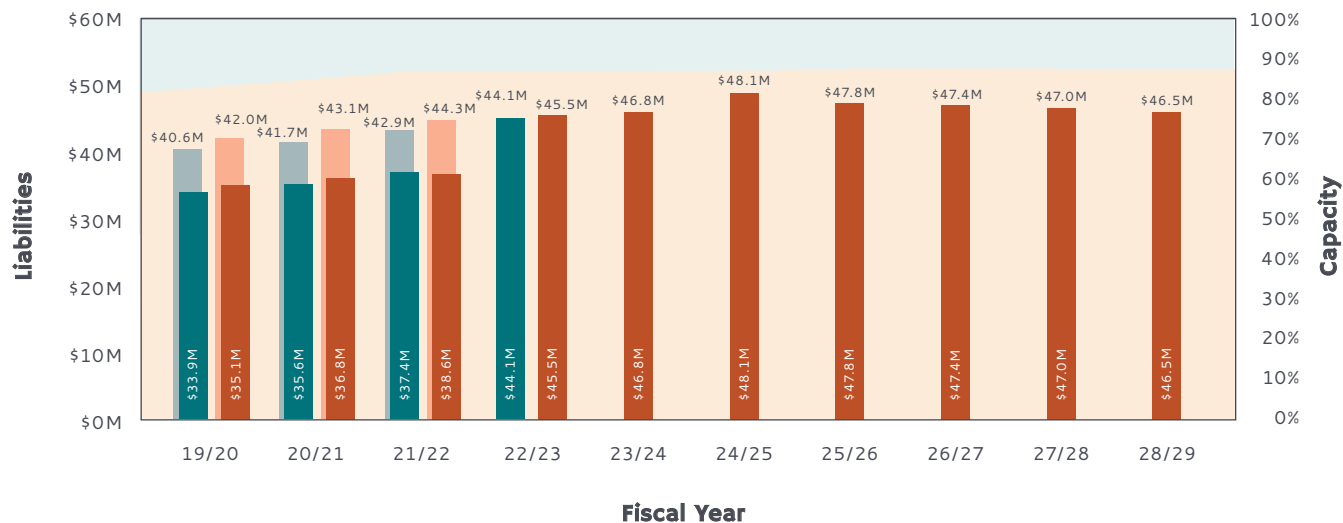
- Estimated Total Closure Cost
- Accrued Closure Liability
- Estimated 30-Year Postclosure Cost
- Accrued Postclosure Liability

- Remaining Airspace Available
- % of Airspace Filled

F. LANDFILL CLOSURE AND POSTCLOSURE LIABILITIES (CONTINUED)

Olinda Alpha Landfill Closure and Postclosure Liabilities

Maximum Permitted Capacity = 148.8 MCY (Million Cubic Yards)



Bar Chart = Liabilities

Area Chart = Capacity

Estimated Total Closure Cost

Remaining Airspace Available

Accrued Closure Liability

% of Airspace Filled

Estimated 30-Year Postclosure Cost

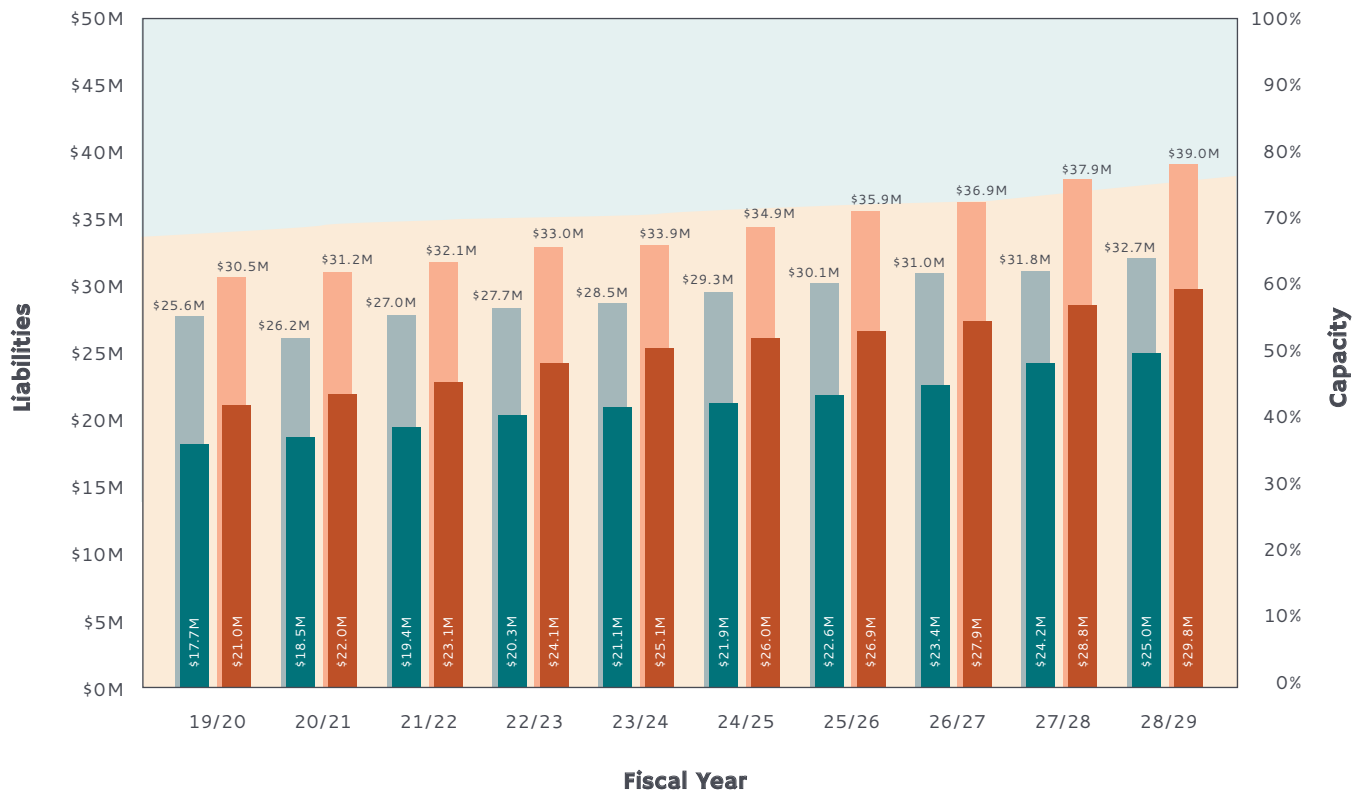
Accrued Postclosure Liability

Olinda Alpha Landfill is scheduled to close in December 2021 and enter into its closure period in FY 2022/23. Closure Escrow monies for Olinda Alpha Landfill will be used for the final cover and the GASB 18 closure liability is no longer required.

F. LANDFILL CLOSURE AND POSTCLOSURE LIABILITIES (CONTINUED)

Prima Deschecha Landfill - Zone I Closure and Postclosure Liabilities

Maximum Permitted Capacity = 53.1 MCY (Million Cubic Yards)



Bar Chart = Liabilities

Area Chart = Capacity

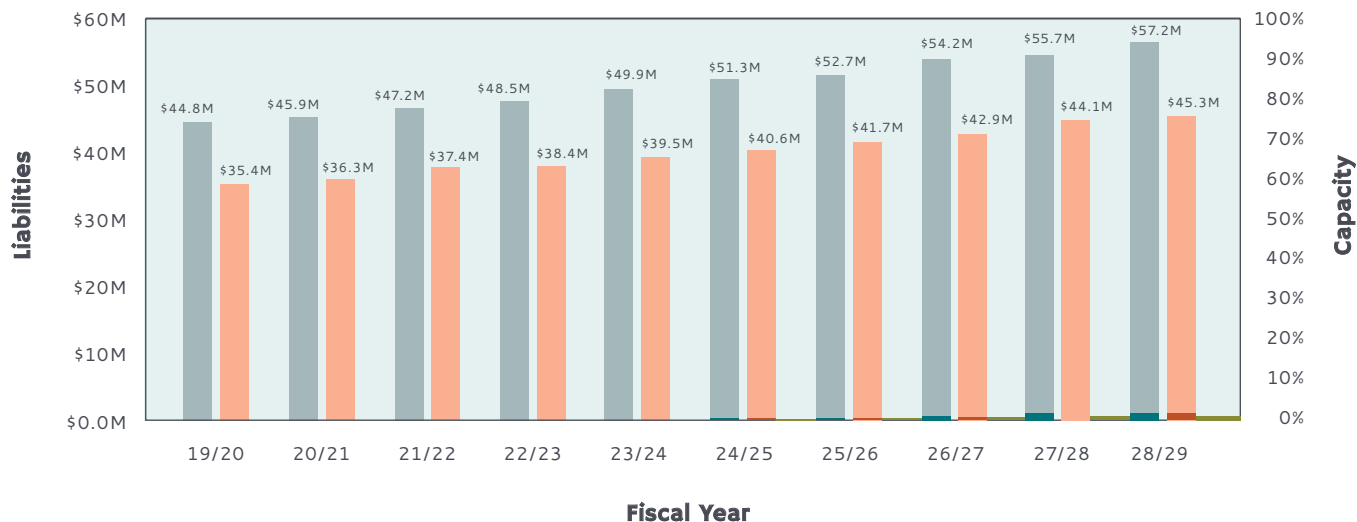
- Estimated Total Closure Cost
- Accrued Closure Liability
- Estimated 30-Year Postclosure Cost
- Accrued Postclosure Liability

- Remaining Airspace Available
- % of Airspace Filled

F. LANDFILL CLOSURE AND POSTCLOSURE LIABILITIES (CONTINUED)

Prima Deshecha Landfill - Zone 4 Closure and Postclosure Liabilities

Maximum Permitted Capacity = 118.5 MCY (Million Cubic Yards)



Bar Chart = Liabilities

Area Chart = Capacity

Estimated Total Closure Cost

Remaining Airspace Available

Accrued Closure Liability

% of Airspace Filled

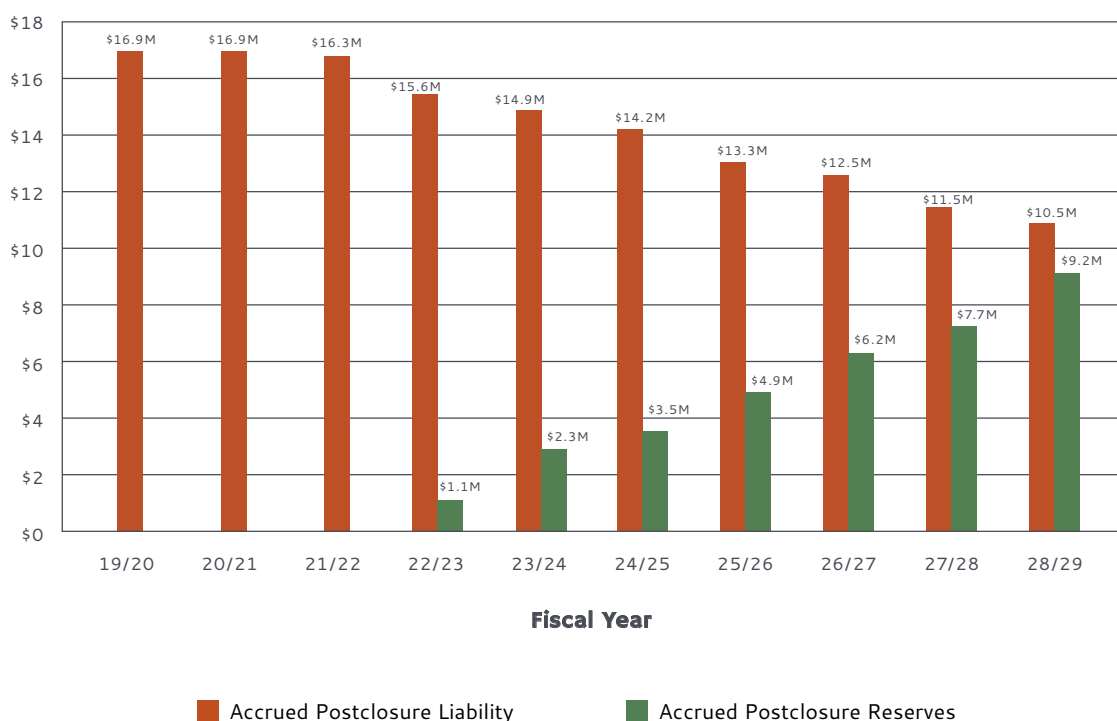
Estimated 30-Year Postclosure Cost

Accrued Postclosure Liability

Prima Deshecha Landfill Zone 4 is estimated to start accepting waste in FY 2023/24. Accrued liabilities are required when waste is accepted.

G. CLOSED LANDFILL POSTCLOSURE LIABILITIES & RESERVES

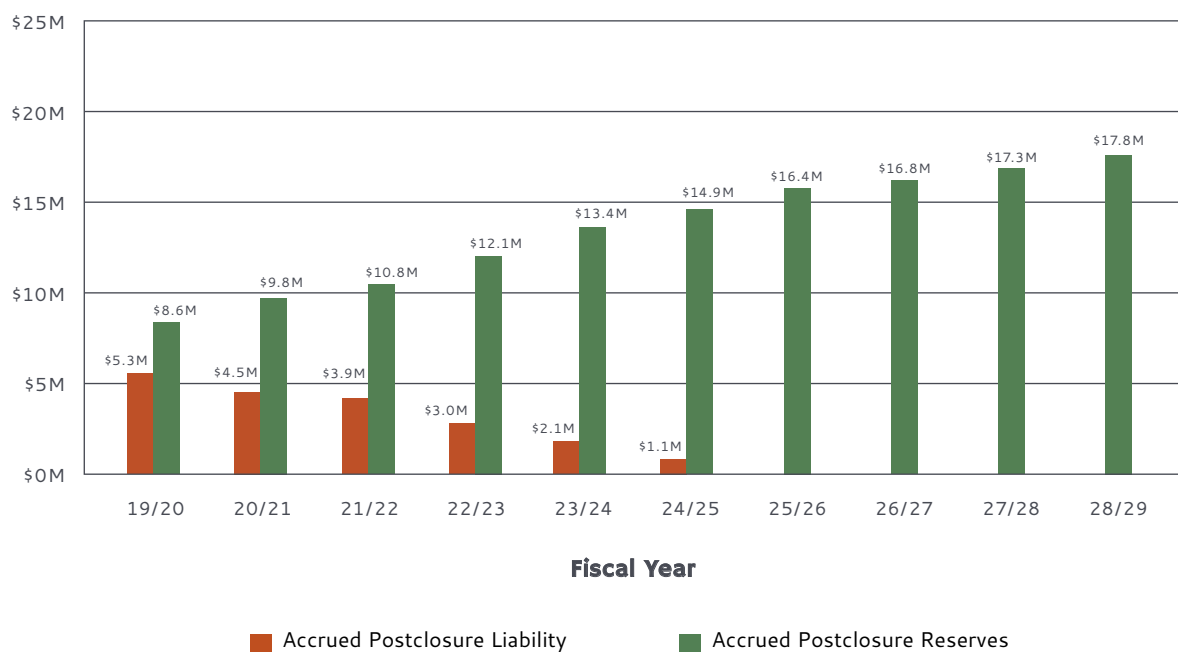
Santiago Canyon Postclosure Liability and Reserves



As the GASB 18 postclosure maintenance liability requirement reaches a remaining balance of 15 years of the approved annual postclosure cost estimate, OCWR will begin setting aside reserves to ensure adequate funds are available for annual postclosure maintenance costs in perpetuity. Santiago Canyon passes its 15th year of postclosure in FY 22/23.

G. CLOSED LANDFILL POSTCLOSURE LIABILITIES & RESERVES (CONTINUED)

Coyote Canyon Postclosure Liability and Reserves



When the GASB 18 postclosure maintenance liability requirement reached a remaining balance of 15 years of the approved annual postclosure cost estimate, OCWR began setting aside reserves to ensure adequate funds are available for annual postclosure maintenance costs in perpetuity. In FY 25/26 Coyote Canyon Landfill passes its 30-year postclosure period, and the GASB 18 postclosure liability is no longer required. Annual postclosure maintenance expenditures will be funded by operating revenues generated by the active landfills. Monies set aside in the reserves account will be available for years when operating revenue is no longer available to cover postclosure maintenance costs.



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