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BEFORE THE

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

IN THE MATTER OF THE:)
)
THE REGULAR MONTHLY)
BUSINESS MEETING)
_____)

DATE AND TIME: THURSDAY, APRIL 24, 1997 9:30 A.M.

PLACE: BOARD OF SUPERVISORS
COUNCIL CHAMBERS
385 NORTH ARROWHEAD AVENUE SAN BERNARDINO, CALIFORNIA

REPORTER: MICHELE C. MCKAY, CSR
CERTIFICATE NO. 10085

BRS FILE NO.: 38903

APPEARANCES

MR. DANIEL G. PENNINGTON, CHAIRMAN
MR. ROBERT C. FRAZEE, VICE CHAIRMAN
MR. WESLEY CHESBRO, MEMBER
MS. JANET GOTCH, MEMBER MR. PAUL RELIS, MEMBER
MR. STEVEN R. JONES, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER

MS. KATHRYN TOBIAS, LEGAL COUNSEL MS. MARLENE

KELLY, BOARD SECRETARY

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THURSDAY, APRIL 24, 1997

SAN BERNARDINO, CALIFORNIA

9:30 A.M.

CHAIRMAN PENNINGTON: GOOD MORNING. WELCOME TO THE APRIL MEETING OF THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD. IT'S NICE TO BE HERE IN SAN BERNARDINO. CAN YOU ALL HEAR ME ALL RIGHT? I'M A LITTLE SOFT-SPOKEN, SO I HAVE TO SHOUT AS MUCH AS I CAN. DID ANYBODY SAY NO? EVERYBODY SAID YES.

WILL THE SECRETARY CALL THE ROLL, PLEASE?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: HERE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: HERE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: HERE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: HERE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: HERE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: HERE.

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WE HAVE A QUORUM.

DO ANY BOARD MEMBERS HAVE ANY EX PARTES? I WILL START WITH MR. RELIS.

BOARD MEMBER RELIS: MR. CHAIR, I HAD A CALL FROM ASSEMBLYWOMAN ESCUTIA'S OFFICE REGARDING AB 117. I HAD SITE VISITS YESTERDAY WITH REPRESENTATIVES FROM CR&R AND BERTECH INDUSTRIES RELATED TO THE RMDZ PROGRAM AND TO OUR ENFORCEMENT POLICIES AROUND GREEN WASTE, VERMICOMPOSTING, ETC.

CHAIRMAN PENNINGTON: THANK YOU.

MR. FRAZEE?

BOARD MEMBER FRAZEE: NOTHING FOR ME OTHER THAN A LETTER THAT WAS DELIVERED, I THINK, TO ALL OF US FROM LYNCH & ASSOCIATES REGARDING AB 362.

CHAIRMAN PENNINGTON: LET'S SEE. I HAD A LETTER FROM SENATOR LEE IN SUPPORT OF THE RICHMOND PROJECT FOR RAC. I HAD A PHONE CALL FROM MR. MICHAEL BYRNE LAST NIGHT REGARDING OXFORD. I SAW MR. BYRNE AND MR. KIRKLAND THIS MORNING

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21 REGARDING OXFORD. AND I HAVE A LETTER FROM

22 MR. GEORGE LARSON REPRESENTING THE APC ON THE

RPPC

23 THING. I ALSO SPOKE WITH MR. LARSON THIS

MORNING

24 ABOUT GOLF.

25 BOARD MEMBER JONES: I HAD SOME SITE

VISITS YESTERDAY. I MET WITH MICHAEL HARRINGTON AT BAS TIRE RECYCLING AND LOOKED AT HIS FACILITY AND HIS PLANT ON CRUMB RUBBER. WENT TO -- MET WITH BARRY MEIJER AND GEORGE HAHN AT PACIFIC SOUTHWEST FARMS TO LOOK AT THEIR -- AT THEIR AREA. WENT OUT AND SAW MR. DOUG CHUMWAY AT MITSUBISHI CEMENT CORPORATION OUT IN LUCERNE VALLEY, TOURED THAT FACILITY TO LEARN A LITTLE BIT MORE ABOUT CEMENT KILNS.

HAD A CONVERSATION WITH MARK LEARY AND MARK APREA ABOUT SOME PENDING LEGISLATION. I THINK IT WAS PROBABLY 117 OR A COUPLE OF ISSUES THERE. I MET WITH EVAN EDGAR FOR A COUPLE OF MINUTES ON SOME LEGISLATION ISSUES. GOT A CALL FROM DARLENE RUIZ AND CALLED HER BACK TO TALK ABOUT THE PLASTIC TRASH BAGS ISSUE. SAID HI TO MR. LARSON AND MR. KIRKLAND ON THE OXFORD TIRES. IT WAS A BUSY MORNING.

CHAIRMAN PENNINGTON: THANK YOU.

MRS. GOTCH?

BOARD MEMBER GOTCH: I THINK I'M ALL CAUGHT UP. ONE LETTER THAT I BELIEVE WE ALL RECEIVED -- ACTUALLY, I THINK IT WAS DIRECTED TO YOU, MR. CHAIR -- WHICH WAS FROM ROBERT BOWEN OF RUBBER TECH, DIVISION OF WINBARRY ENVIRONMENTAL

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COMPANY, REGARDING TIRE RECYCLING CONTRACTS. I DIDN'T KNOW IF THAT HAD BEEN NOTED OR NOT.

CHAIRMAN PENNINGTON: I HAVEN'T SEEN IT, SO I DON'T --

BOARD MEMBER GOTCH: OKAY.

CHAIRMAN PENNINGTON: IT'S FLOATING AROUND SOMEWHERE.

BOARD MEMBER GOTCH: IT'S IN THE RECORD NOW. THANKS.

CHAIRMAN PENNINGTON: THANK YOU.

MR. FRAZEE? I MEAN, MR. CHESBRO?

BOARD MEMBER CHESBRO: I, TOO, SPOKE WITH DARLENE RUIZ ABOUT THE PLASTIC TRASH BAG LEGISLATION, AND I SPOKE TO REPRESENTATIVES OF BFI ABOUT ASSEMBLYWOMAN ESCUTIA'S BILL. I DON'T HAVE THE BILL NUMBERS IN FRONT OF ME. I HOPE THAT'S ADEQUATE FOR ME TO DESCRIBE THEM THAT WAY. THE ONE REGARDING THE C&D LEGISLATION IS 117, 118. THANK YOU.

I ALSO SPOKE WITH ASSEMBLYMAN FRED KEELEY AND ALSO SENATOR SHER'S STAFF WITH REGARDS TO BOARD BUDGET ISSUES.

CHAIRMAN PENNINGTON: THANK YOU.

BOARD MEMBER RELIS: MR. CHAIR --

CHAIRMAN PENNINGTON: I DID FORGET --

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EXCUSE ME -- THAT I, TOO, HAD SPOKEN TO DARLENE RUIZ LAST NIGHT BY PHONE CONCERNING THE TRASH BAG LEGISLATION.

YES?

BOARD MEMBER RELIS: I WOULD LIKE TO ADD SOME NAMES TO WHAT I EARLIER DESCRIBED WITH BERTECH INDUSTRIES AND A SITE VISIT UP THERE. I MET WITH CAROL HILL, WHO IS THEIR GENERAL MANAGER; JOHN DAVIS, ADMINISTRATOR FOR THE MOJAVE DESERT AND MOUNTAIN RMDZ; ERIC HERBERT, PRESIDENT OF THE INREC, DIVISION OF BERTECH, AND ERIC HERBERT, AND THEN JOHN DUBOSIK FROM THE TOWN OF APPLE VALLEY.

AT THE CR&R MEETING, I WAS WITH DAVID FARRIAN, WHO IS AN EXECUTIVE WITH CR&R, AND WITH JOHN DOVIAC AT A SITE VISIT AT ECOLOGY FARMS, WHICH IS A VERMICOMPOSTING. I DID RUN INTO MICHAEL BYRNE THIS MORNING AT BREAKFAST, SO WE EXCHANGED A FEW WORDS OVER THE OTR MATTER BEFORE US. AND A FEW MOMENTS AGO, BEFORE THIS MEETING, HY WEITZMAN CAME UP AND REFERENCED A DOCUMENT, "MODERN ENVIRONMENTAL TECHNOLOGIES," WHICH HE WILL BE DISCUSSING LATER IN THE AGENDA.

BOARD MEMBER CHESBRO: AND HE SPOKE WITH ME AS WELL, MR. WEITZMAN DID.

CHAIRMAN PENNINGTON: I THINK HE SPOKE TO

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US ALL.

BOARD MEMBER CHESBRO: I THINK THE RECORD SHOULD SHOW HE SPOKE TO US ALL.

CHAIRMAN PENNINGTON: OKAY. THAT CONCLUDES THAT. THERE ARE SPEAKER FORMS AT THE ENTRY TO THE CHAMBER HERE. IF ANYBODY WISHES TO ADDRESS THE BOARD ON ANY PARTICULAR ITEM, PLEASE FILL IT OUT AND GIVE IT TO MS. KELLY OVER HERE, WHO WILL MAKE SURE I GET THEM AND WE GET THEM CALLED ON.

I HAVE A FEW ANNOUNCEMENTS ABOUT THE BOARD AGENDA. ITEM 6-B, 6-G, 20, 21 AND 26 HAVE BEEN PULLED FROM TODAY'S AGENDA. THERE IS AN ADDENDUM TO THE MONTH'S AGENDA, ADDENDUM ITEM 1 WILL BE HEARD FOLLOWING OPEN DISCUSSION. WE'RE GOING TO HAVE OPEN DISCUSSION AT 1:30, FOLLOWING LUNCH, AND THAT ITEM AND A PRESENTATION BY MR. WEITZMAN WILL BE THEN. WE WILL RECESS AT NOON FOR LUNCH AND A FACILITY TOUR AND RECONVENE AT 1:30.

DIRECTIONS TO THE FACILITY AND THE EVENING RECEPTION ARE ALSO LOCATED ON THE TABLE AT THE CHAMBER'S ENTRANCE. WE WILL HEAR SOME OF THE -- AS I SAID, MR. WEITZMAN WILL ADDRESS US

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IN
25 THE OPEN SESSION PART FOLLOWING LUNCH AT 1:30.

AND I BELIEVE ONE ITEM IS THE VERMI -- I MEAN THE COMPOSTING, GALLOP COMPOSTING, WE'LL HEAR AT THAT TIME TOO.

NOW, WE'RE PUTTING FORTH COMMITTEE REPORTS, STARTING WITH MS. GOTCH FROM THE LEGISLATION AND PUBLIC EDUCATION COMMITTEE.

BOARD MEMBER GOTCH: THE LEGISLATION AND PUBLIC EDUCATION COMMITTEE MET ON APRIL 21ST TO CONSIDER EIGHT STATE MEASURES. OF THESE MEASURES, ONE IS ON THE CONSENT CALENDAR, AND THAT IS AB 847, WAYNE. THE COMMITTEE TOOK A NEUTRAL POSITION. ONE WAS HELD IN COMMITTEE, SB 436, SHER, AND 8117, ESCUTIA, IS BEING PULLED PER THE AUTHOR'S REQUEST. THERE ARE FIVE BILLS BEFORE US TODAY FOR CONSIDERATION.

THE LPEC COMMITTEE ALSO HEARD AN UPDATE FROM OUR PUBLIC EDUCATION DIVISION REGARDING RECENT EDUCATIONAL ACTIVITY, CLOSING THE LOOP. WORKSHOPS WERE CONDUCTED STATEWIDE AND A TOTAL OF 212 TEACHERS WERE IN ATTENDANCE. STAFF ALSO COMPLETED THE LAST OF THREE HOTEL WASTE

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22 REDUCTION WORKSHOPS. THEY ARE PREPARING THE STAFF

23 REPORT THAT WILL BE AVAILABLE FOR THE COMMITTEE TO

24 REVIEW IN JUNE.

25 FINALLY, THE COMMITTEE RECEIVED AN

UPDATE FROM OUR PUBLIC AFFAIRS DIVISION. RECENT ACTIVITIES INCLUDE THE BOARD'S OUTREACH CAMPAIGN TO PROMOTE GRASSCYCLING AND BOARD PARTICIPATION -- WELL, ACTUALLY, THE PAST EARTH DAY EVENTS. ADDITIONALLY, STAFF HAVE DEVELOPED A PUBLICATIONS GUIDE AS WELL AS A NEW VERSION OF "NEWS AT A GLANCE," THE BOARD'S NEWSLETTER THAT IS DISTRIBUTED TO LEGISLATIVE OFFICES, LOCAL GOVERNMENTS, AND ENVIRONMENTAL. AND THAT CONCLUDES MY REPORT.

CHAIRMAN PENNINGTON: THANK YOU, MS. GOTCH. I APOLOGIZE. I SKIPPED A PAGE HERE AND I THINK WE'LL GO BACK A PAGE. AND WE HAVE SOME WONDERFUL PRESENTATIONS FROM LOCAL OFFICIALS HERE WHO HAVE BEEN SO KIND TO SUPPLY US WITH THIS LOVELY CHAMBER. AND SO MAYBE, IF YOU DON'T MIND, WE'LL STEP BACK.

AND IF WE CAN, MR. JERRY EVANS, CHAIRMAN OF THE BOARD OF SUPERVISORS.

MR. EAVES: GARY EAVES.

CHAIRMAN PENNINGTON: EAVES. I'M HAVING A GOOD MORNING.

MR. EAVES: RIGHT. ON BEHALF OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, WE WOULD LIKE TO WELCOME THE CALIFORNIA INTEGRATED WASTE

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MANAGEMENT BOARD TO SAN BERNARDINO. WE'RE PLEASED THAT YOU'RE MEETING HERE FOR THE TWO DAYS AND DO APOLOGIZE THAT WE, DUE TO A SCHEDULING PROBLEM, HAD TO MOVE YOU TOMORROW TO THE, I THINK, THE FELDHEYM LIBRARY.

WE ARE THE LARGEST COUNTY IN AREA IN THE UNITED STATES, AT LEAST IN THE LOWER 48. WE HAVE OVER 20,000 SQUARE MILES OF AREA IN SAN BERNARDINO COUNTY. OUR SIZE OF GEOGRAPHY AND DIVERSITY CREATES SOME UNIQUE CHALLENGES IN PROVIDING SOLID WASTE SERVICE FOR THE 1.7 MILLION RESIDENTS OF THIS COUNTY.

WE ARE IN THE MIDST OF IMPLEMENTING AN AMBITIOUS, LONG-RANGE STRATEGIC PLAN THAT WILL CLOSE TWELVE LANDFILLS AND ADD SEVEN TRANSPORT FACILITIES OVER THE NEXT FEW YEARS. THIS PLAN WILL REDUCE OUR OPERATING COSTS AND KEEP OUR TIPPING FEES COMPETITIVE IN THE ROLLER COASTER MARKET HERE IN SOUTHERN CALIFORNIA.

JERRY NEWCOMB, OUR DIRECTOR OF OUR WASTE MANAGEMENT, WILL TALK TO YOU ABOUT THE PUBLIC/PRIVATE PARTNERSHIP THAT WE HAVE WITH NORCAL OF SAN BERNARDINO. WE DO APPRECIATE THE WASTE BOARD'S ATTENTION TO SOME OF THE UNIQUE ISSUES WE FACE IN SAN BERNARDINO COUNTY, AND WE

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ALSO WANT TO PUBLICLY THANK THE STAFF FOR THEIR SUPPORT IN IMPLEMENTING OUR STRATEGIC PLAN.

AGAIN, WELCOME AND I HOPE YOU ENJOY YOUR TIME HERE IN SAN BERNARDINO COUNTY.

BOARD MEMBER CHESBRO: MR. CHAIR?

CHAIRMAN PENNINGTON: YES.

BOARD MEMBER CHESBRO: I JUST WANTED TO NOTE THAT SUPERVISOR EAVES IS A FORMER LONG-TIME MEMBER OF THE CALIFORNIA STATE ASSEMBLY, AND THE BOARD ENJOYED A VERY GOOD WORKING RELATIONSHIP WITH HIM IN THE LEGISLATURE. AND SO IT'S A DOUBLE PLEASURE, BOTH TO BE WELCOMED TO THIS NICE FACILITY, BUT ALSO TO SEE A GOOD FRIEND OF THE BOARD.

MR. EAVES: THANK YOU, MR. CHESBRO.

CHAIRMAN PENNINGTON: THANK YOU.

NOW WE'LL HEAR FROM JERRY NEWCOMB.

MR. NEWCOMB: THANK YOU, MR. CHAIRMAN AND BOARD MEMBERS. I'M JERRY NEWCOMB WITH THE COUNTY WASTE SYSTEM DIVISION. I WOULD LIKE TO JUST TAKE A FEW MOMENTS THIS MORNING AND TALK TO YOU ABOUT THE UNIQUE PUBLIC/PRIVATE PARTNERSHIP WE'VE CREATED IN THIS COUNTY TO HANDLE OUR SOLID WASTE PROGRAM. WE HAVE A LONG-TERM CONTRACT WITH NORCAL WASTE SYSTEMS INCORPORATED TO OPERATE, MANAGE, AND

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ADMINISTER OUR ENTIRE SOLID WASTE PROGRAM IN THE COUNTY, WHICH INCLUDES OPERATION OF ALL OF OUR LANDFILLS, ENGINEERING AND PLANNING AND ADMINISTRATION OF OUR SYSTEM, INCLUDING PUBLIC OUTREACH AND EDUCATION PROGRAMS AS WELL.

THE DECISION TO ESSENTIALLY CONTRACT OUT THESE SERVICES GREW OUT OF SOME ACCELERATING CONCERNS ABOUT THE OVERALL MANAGEMENT OF THE SOLID WASTE SYSTEM A FEW YEARS AGO HERE IN THIS COUNTY. AND THOSE CONCERNS WERE ON BEHALF OF THE PUBLIC, CUSTOMERS, AND EVEN OUR OWN BOARD OF SUPERVISORS. AND THEY WERE ASSOCIATED WITH MANAGEMENT OF THE FUNDS THAT WERE IN A SYSTEM AND ALSO WITH CONCERNS ABOUT REGULATORY COMPLIANCE ISSUES.

THE FINAL AGREEMENT THAT WE ACHIEVED WITH NORCAL IS QUITE A BIT DIFFERENT THAN THEIR ORIGINAL PROPOSAL TO US, WHICH WAS ESSENTIALLY TO TAKE OVER THE ENTIRE SYSTEM AND OPERATE IT AND PAY THE COUNTY FOR THE RIGHT TO DO THAT. THE COUNTY DID RETAIN COMPLETE CONTROL OVER ALL ASPECTS OF OUR SYSTEM, COMPLETE CONTROL OVER FINANCES, COMPLETE CONTROL OVER LONG-RANGE PLANNING, DECISIONS ABOUT SETTING RATES AND ESTABLISHING WHATEVER FEES WERE GOING TO BE CHARGED.

WE DO HAVE A CLEAR OPERATIONAL SCOPE

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1 OF WORK THAT NORCAL IMPLEMENTS. THEY'RE PAID A
2 PER TON RATE FOR IMPLEMENTING, FOR OPERATING ALL
3 THE LANDFILLS. THEY DO ACT AS OUR PRIMARY
4 ENGINEERING FIRM, IF YOU WILL. THEY PERFORM
5 CAPITAL PROJECT ENGINEERING, AND THEY HANDLE THE
6 CONSTRUCTION OF THOSE PROJECTS ON A -- REALLY ON A
7 CASE-BY-CASE BASIS. WE APPROVE THOSE PROJECTS AND
8 THEIR ANNUAL BUDGET AND WORK PLAN. WE DO HAVE THE
9 AUTHORITY, IF WE THINK THE DEAL ISN'T QUITE RIGHT
10 IN THEIR BUDGET PROPOSAL, THAT WE COULD TAKE THAT
11 PROJECT AND PUT IT OUT ON THE STREET AND GET
12 PROPOSALS THAT WAY. SO FAR WE HAVE BEEN VERY
13 COMFORTABLE WITH THE WAY THE CONTRACT IS WORKING.
14 THE COUNTY HAS STAYED AS A PERMITTED
15 OWNER AND OPERATOR OF THE LANDFILLS. NORCAL IS
16 ESSENTIALLY JUST OUR CONTRACT OPERATOR. WE ARE
17 THE OWNER AND PERMITTED OPERATOR, AND WE RETAINED
18 THE PRIMARY LIAISON RESPONSIBILITIES WITH ALL

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19 REGULATORY AGENCIES, WHICH I THINK IS VERY

20 IMPORTANT.

21 WE RAN INTO A BIT OF AN

INTERESTING

22 QUESTION EARLY ON IN THE IMPLEMENTATION OF OUR

23 CONTRACT WITH NORCAL. WE DEAL WITH THREE

24 DIFFERENT REGIONAL WATER QUALITY CONTROL BOARDS

IN

25 THIS COUNTY. AND AT DIFFERENT POINTS IN TIME,

ALL

1 THREE OF THOSE WATER BOARDS DECIDED THAT THE
2 CONTRACT WITH NORCAL MEANT THAT NORCAL OUGHT TO BE
3 ON THE WDR'S AS A RESPONSIBLE PARTY, WHICH IS
4 CERTAINLY VERY DIFFERENT THAN THE WAY THEIR
5 RELATIONSHIP WITH US IS DESCRIBED IN THE CONTRACT.
6 AND WE SPENT QUITE A BIT OF TIME WITH EACH OF THE
7 THREE DIFFERENT WATER BOARDS AND WERE ABLE TO SHOW
8 THEM THROUGH THE DOCUMENTS CONTAINED IN THE
9 CONTRACT AND THE NATURE OF OUR RELATIONSHIP WITH
10 NORCAL THAT THEY WERE OUR CONTRACTOR, THAT THE
11 COUNTY WAS IN CONTROL OF ITS SOLID WASTE SYSTEM,
12 AND ESSENTIALLY NORCAL MADE DECISIONS DIRECTED BY
13 THE COUNTY. WE WERE SUCCESSFUL IN GETTING AMENDED
14 WDR'S THAT SAID JUST THAT, THAT NORCAL WAS THE
15 CONTRACTOR AND THE COUNTY WAS STILL THE
16 RESPONSIBLE PARTY.
17 IN TERMS OF HOW THE CONTRACT IS
18 GOING AND WHAT -- THE IMPACT IT'S HAD ON OUR
19 SYSTEM AND RESIDENTS IN OUR COUNTY, WE WERE ABLE

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20 TO REDUCE OUR TIPPING FROM FEE FROM $35.50 CENTS A

21 TON TO $33 A TON EFFECTIVE THIS PAST JULY, AND

22 OWING IN LARGE PART TO THE REDUCED OPERATING COSTS

23 THAT NORCAL REQUIRES FOR OPERATING THE LANDFILLS.

24 WE ARE REIMBURSING OUR GENERAL FUND FOR THE

25 PURCHASE OF THE LANDFILL FACILITIES HERE IN THE

VALLEY AREA THAT WE MADE A NUMBER OF YEARS AGO, AND THEN ESSENTIALLY THOSE FACILITIES WERE GIVEN OVER TO THE SOLID WASTE ENTERPRISE FUND TO OPERATE. WE'RE REIMBURSING THE GENERAL FUND AT A RATE OF $4.50 A TON WITHIN THAT LOWERED TIPPING FEE.

AND I THINK WE'VE IMPROVED SIGNIFICANTLY OUR IMAGE WITH REGULATORY AGENCIES. IN FACT, WE RECENTLY HAD LEA INSPECTIONS ON SEVERAL OF OUR LANDFILLS, AND FOR THE FIRST TIME IN THE FIVE YEARS I'VE BEEN INVOLVED WITH SOLID WASTE, WE ACTUALLY HAD NO VIOLATIONS OR AREAS OF CONCERN OR EVEN REALLY ANY NEGATIVE COMMENTS AT ALL ON THREE OF THE SITES THAT WERE INSPECTED. AND I THINK THAT'S, AT LEAST IN MY MIND, VERY SIGNIFICANT FOR US AND I THINK OWING IN LARGE PART TO NORCAL'S ABILITY TO OPERATE THE LANDFILLS.

AS SUPERVISOR EAVES MENTIONED, WE ARE IN THE PROCESS OF IMPLEMENTING A FAIRLY AMBITIOUS STRATEGIC PLAN THAT WILL CLOSE A MAJORITY OF OUR ACTIVE SITES. WE WILL GO FROM 17 ACTIVE LANDFILLS TO FIVE ACTIVE LANDFILLS WITH A NUMBER OF SMALL VOLUME TRANSFER STATIONS THAT HELP MOVE TRASH AROUND IN THE RURAL AREAS AND GET THEM TO THOSE LANDFILLS. NORCAL IS GOING TO BE VERY

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ACTIVELY INVOLVED IN HELPING TO IMPLEMENT THAT PLAN.

AS WITH ANY CONTRACT RELATIONSHIP, IT IS NEVER PERFECT AND THE CONTRACT IS NEVER PERFECT, AND WE'VE HAD OUR SHARE OF DISAGREEMENTS WITH OUR CONTRACTOR ABOUT EXPECTATIONS AND PERFORMANCE AND CONTRACT LANGUAGE, BUT WE BUILT IN PLENTY OF INCENTIVES FOR NORCAL TO OPERATE EFFICIENTLY. THEY SHARE IN THE REVENUE OF TONNAGE INCREASES IN THE SYSTEM. THEY START TO HURT PRETTY DRAMATICALLY IF WASTE CONTINUES TO LEAVE THE SYSTEM AND TONNAGE GOES DOWN.

THEY PLAY A VERY ACTIVE ROLE IN MAKING SURE THAT THE CUSTOMERS STAY SATISFIED AND CONTINUE TO USE THE LANDFILLS WITHIN OUR COUNTY. AND THEY'VE DONE A VERY GOOD JOB OF THAT; AND SO FOR THE LAST 18 MONTHS, SINCE THEIR CONTRACT HAS BEEN IMPLEMENTED, WE'VE BEEN VERY PLEASED WITH THE PERFORMANCE. WE FEEL IT'S BEEN A GOOD MOVE FOR THE COUNTY. IT'S SAVED THE COUNTY MONEY, IT'S LOWERED THE FEES TO THE RATE PAYERS, AND THE SYSTEM IS STILL BEING OPERATED AT THE SAME SERVICE LEVEL AS IT WAS PREVIOUSLY. I'M NOT CONVINCED THIS TYPE OF PARTNERSHIP WOULD WORK IN EVERY SITUATION FOR EVERYBODY, BUT IT'S CERTAINLY

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WORKING FOR US HERE.

I THANK YOU FOR THE OPPORTUNITY TO ADDRESS YOU THIS MORNING, AND I'M AVAILABLE FOR ANY QUESTIONS YOU'D LIKE TO ASK.

CHAIRMAN PENNINGTON: THANK YOU VERY MUCH.

OKAY. NOW WE'LL HEAR FROM SUSAN PATANI, MANAGER OF NORCAL'S EDUCATION COMMUNITY RELATIONS.

MS. PATANI: CAN I HAVE THE LIGHTS TURNED DOWN, PLEASE? FIRST, I WOULD LIKE TO WELCOME YOU ON BEHALF OF NORCAL AND THE 24 RECYCLING COORDINATORS IN SAN BERNARDINO COUNTY. IT IS AN HONOR TO SHOWCASE THE AB 939 PROGRAMS IN OUR COMMUNITY.

AS GARY EAVES SAID BEFORE, OUR COUNTY IS A MESS, AND IT'S ONE OF OUR MAJOR CHALLENGES. YOU CAN ACTUALLY FIT THE STATE OF MASSACHUSETTS, CONNECTICUT, AND RHODE ISLAND AND STILL HAVE ROOM, BUT WE ALSO HAVE THREE OTHER MAJOR CHALLENGES. THOSE CHALLENGES ARE ON NOVEMBER 1ST OF 1995, OUR DEPARTMENT WAS DECREASED FROM ELEVEN FULL-TIME EMPLOYEES TO TWO. OUR BUDGET WAS DECREASED BY 40 PERCENT. WE HAD TO OVERCOME THE PERCEPTION OF THE PRIVATIZATION AND

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ALSO HAD TO CONTINUE TO TRY AND MEET THE 50-PERCENT MANDATE. SO WHAT WE DECIDED TO DO WAS THE SAME THING AS THE THEME OF THE PRIVATIZATION. WE DECIDED TO CREATE PARTNERSHIPS.

SO COMING TO SOUTHERN CALIFORNIA, I WENT OUT AND MET WITH ALL 24 RECYCLING COORDINATORS TO ASSESS THEIR NEEDS AND DETERMINE THEIR CONCERNS. AND WHAT I FOUND OUT LOUD AND CLEAR WAS WE MUST HAVE MUTUAL RESPECT FOR EACH OTHER'S PROGRAMS, AND WE ALSO MUST NOT DUPLICATE PROGRAMS. WE NOW MEET ON A MONTHLY BASIS. WE HAVE AN 85-PERCENT PARTICIPATION RATE, AND WE ALSO HAVE 100-PERCENT PARTICIPATION RATE ON THE FOUR PROGRAMS THAT WE MAINTAIN THAT THE COUNTY HAD PREVIOUSLY.

WE HAVE A NEWSLETTER THAT GOES OUT QUARTERLY, AND ON THIS MONTH'S NEWSLETTER THERE IS AN ARTICLE BY CHAIRMAN DANIEL PENNINGTON AND WE THANK YOU FOR THAT. THIS GOES OUT TO 1200 PEOPLE. IT ALSO PROFILES TWO OF THE RECYCLING COORDINATORS AS WELL AS LISTS ALL THEIR PHONE NUMBERS SO

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THAT

22 PEOPLE CAN REACH THEM VERY EASILY.

23 WE ALSO MAINTAIN THE COUNTY

GRANTS

24 FOR TEACHING PROGRAM. IN ITS BEGINNING IT WAS

SET

25 UP TO MAKE -- TO DEVELOP CURRICULUM FOR

TEACHERS

BECAUSE AT THAT TIME THERE WASN'T A LOT OF CURRICULUM AVAILABLE. NOW IT IS MORE CENTERED TOWARDS SCHOOL-BASED RECYCLING PROJECTS. THERE ARE OVER 26 GRANTS THAT WERE GIVEN IN 1996. THEY STEM FROM SCHOOL-BASED RECYCLING, COMPOSTING, VERMICOMPOSTING, ZERO-WASTE CLASSROOMS. THEY ARE -- ALSO WE JUST GAVE MONEY TO A SCHOOL THAT DID A THEATER PRODUCTION. THEY MADE ALL OF THEIR PROPS WITH RECYCLED AND REUSED -- THEY MADE SOME THINGS THEY WERE TWIRLING AT A PRODUCTION LATELY AND INSIDE THE BALL WAS FILLED WITH LINT. SO THE KIDS ARE BEING VERY, VERY CREATIVE, AS WELL AS THE TEACHER.

WE STILL GIVE FUNDS FOR THE CLASSROOM, AND SOME OF THOSE PROGRAMS ARE STUDYING ORGANIC WASTE DECOMPOSITION AND DETERMINING IF MICROORGANISMS HAVE RECYCLING POWER. AGAIN, WE GIVE APPROXIMATELY $30,000 A YEAR TO SCHOOLS FOR THESE PROGRAMS, AND YOU WILL BE VISITING ONE OF OUR GRANTS FOR TEACHING SCHOOLS AT LUNCHTIME.

HERE ARE SOME OF THE PICTURES. THE UPPER ONE IS A CLASSROOM DOING THE STUDIES AND THE SCIENCE. HERE ARE SOME OF THE PRODUCTS THAT

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HAVE

24 BEEN MADE. ALSO IN THE ART SHOW THAT IS

UPSTAIRS
25 YOU WILL SEE PRODUCTS MADE FROM STUDENTS.

WE ALSO MAINTAIN THE COUNTY COLLATERAL MATERIALS, WHICH WE TAKE OUT IN OUR OUTREACH PROGRAMS. WE'VE ACTUALLY MADE 21,000 PERSONAL CONTACTS. EVERY HOME AND GARDEN SHOW WE CAN GO TO, EVERY SMALL HEALTH AND SAFETY FAIR, WE'RE OUT THERE AT THE COUNTY FAIR, THE ORANGE SHOW, ENVIRONMENTAL EXPO, ROUTE 66, EVERYTHING WE CAN WITH OUR TWO STAFF MEMBERS.

WE ALSO MAINTAIN THE COUNTY'S BUSINESS RECYCLING WORKSHOP. WE TOOK IT TO ANOTHER PLATEAU. INSTEAD OF GOING TO THE CHAMBER AND PASSING OUT A FLYER AND SAYING COME TO ONE OF OUR WORKSHOPS, WE ACTUALLY WRITE LETTERS TO EVERY SINGLE BUSINESS IN THE CHAMBER. WE ALSO GO AND FIND THE LARGER BUSINESSES IN THAT AREA, INVITE THEM. WE WRITE LETTERS TO GOVERNMENTAL OFFICIALS.

WE INVITE THE MAYOR TO PARTICIPATE. WE GO OUT AND WE GET PROCLAMATIONS FROM THE CITIES SO THE GOVERNMENTAL OFFICIALS WILL KNOW WHAT WE DO. WE HAVE A BUSINESS GUIDE THAT WE HAVE DEVELOPED, AND WE ALWAYS MAKE SURE THE PRESS KNOWS WE'RE IN

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THEIR

22 COMMUNITY.

23 WE HAVE DONE -- THE FIRST YEAR

THERE

24 WERE SIX WORKSHOPS. THIS LAST YEAR WE

COMPLETED

25 TWELVE. WE'RE 80 PERCENT FINISHED WITH OUR

BUSINESS RECYCLING PROGRAM AND GOING TO START GETTING INTO MORE WASTE AUDITS FOR BUSINESSES.

WE ALSO MAINTAIN THE COUNTY'S CHRISTMAS TREE PROGRAM, AND WE'RE VERY HONORED AND PROUD OF THIS PROGRAM, WHICH HAS BEEN NOMINATED THIS YEAR FOR THE CHRISTMAS TREE ASSOCIATION AWARD. WHAT WE DID IS WE PUT IN 25,000 PAYROLL INSERTS AND WE CREATED 80 NEW PARTNERS WITHIN THE COUNTY. THESE PAYROLL INSERTS WENT INTO COUNTY HAULERS AND CITY PAYROLL STUFFERS, AS WELL AS THE BULB ON THE BOTTOM, WHICH WAS DISTRIBUTED, 50,000 OF THEM, TO CHRISTMAS TREE LOTS THROUGH THE COMMUNITY. THERE WAS ALSO A BROCHURE CALLED "REJOICE, RENEW & RECYCLE" AND EVERYBODY WHO PARTICIPATED RECEIVED A CERTIFICATE. THE EXCITING PART IS WE PUT 12 FOOT ARTIFICIAL TREES IN FOUR REGIONAL MALLS. THEY ARE DECORATED ALL WITH REUSABLE AND RECYCLABLE PRODUCTS.

BEING VERY INVOLVED IN A LOT OF COMMUNITY EVENTS, I TOOK EVENTS IN WHICH I NEEDED DECORATIONS AND I PUT THEM ON THE TREES. ONE OF THE TREES YOU WILL SEE BABY SOCKS AND BOOKS. ON ANOTHER TREE YOU WILL SEE LEFTOVER HALLOWEEN CANDY, AND ON ANOTHER TREE YOU WILL ACTUALLY SEE

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25 OLD CHRISTMAS CARDS. UNDERNEATH THE TREE YOU SEE

PRESENTS WRAPPED IN OLD POSTERS, ROAD MAPS, BLUEPRINTS, AND TIED WITH TIES AND SHOELACES. WE ALSO WERE ABLE TO WORK WITH ALL THE AREA NEWSPAPERS AND ACTUALLY THERE WERE 12 GIFT GUIDES THAT WERE PUBLISHED. AND IN EACH OF THESE GIFT GUIDES, WE HAVE ARTICLES FROM RESIDENTS, RECYCLED TONS OF CHRISTMAS TREES, TIPS FOR CUTTING YOUR GIFT SHIPPING COSTS, MAKE GIFT WRAPPING ENVIRONMENTALLY FRIENDLY. AND ALSO CHRISTMAS TREES HAVE MANY USES AFTER THE HOLIDAYS.

ALL OF THIS WAS GIVEN TO US FOR FREE. OUR BUDGET WAS $35,000 AND WE RECEIVED ALMOST $150,000 IN IN-KIND DONATIONS. FROM NOVEMBER 15TH TIL CHRISTMAS DAY, TWO LOCAL RADIO STATIONS GAVE US MORNING DRIVE TIME AND EVENING DRIVE TIME, PROMOTING OUR PROGRAM, AS WELL AS THE MALL SPACE WAS ALSO DONATED. RESULT: IN 1995 WE COLLECTED 934 TONS OF GREEN WASTE; IN 1996 WE COLLECTED 2300 TONS OF GREEN WASTE. THEREFORE, WE FEEL OUR PROGRAM WAS VERY SUCCESSFUL.

THE OTHER THING WE DO IN OUR COMMUNITY OUTREACH IS WE ARE CONSTANTLY GOING OUT IN THE PUBLIC TO THE HOME & GARDEN SHOWS. WE HAVE PARTNERED WITH THE UC EXTENSION OFFICE LOCALLY. THEY HAVE PROVIDED WITH US A TEXT. WE DESIGN ALL

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THEIR COLLATERAL MATERIALS. WE MAKE THESE MATERIALS AVAILABLE ON DISK AND HARD COPY FOR THE 24 CITIES AND THE UC EXTENSION OFFICE FOR ALL OF THEIR MASTER COMPOSTING AND MASTER GARDENER CLASSES. THESE ARE ALSO THE COLLATERAL MATERIALS THAT WE DEVELOPED IN OUR BOOTH.

WE ALSO BELIEVE THAT BILLBOARDS ARE VERY, VERY EXPENSIVE. THEY CAN RUN FROM $1,500 A MONTH TO $2,000 A MONTH. BUT ALL OF US WHO HAVE CHILDREN KNOW OF ANOTHER BILLBOARD. THAT'S ALL THOSE CERTIFICATES WITH MAGNETS THAT WE HAVE ON OUR REFRIGERATOR THAT SOMETIMES LAST A WHOLE YEAR IF YOU CAN'T GET THEM TO TAKE THEM DOWN. SO WE ARE THE PROUD OWNER OF NUMEROUS CERTIFICATES. WE HAVE DEVELOPED A LOT OF DIFFERENT MATERIALS; AND WHEN PEOPLE PARTICIPATE IN OUR PROGRAMS, WE MAKE SURE THEY GET A CERTIFICATE. WE ACTUALLY PROBABLY DISTRIBUTED CLOSE TO 5,000 CERTIFICATES THE LAST YEAR.

THERE'S ONE IF YOU PARTICIPATE IN OUR BUSINESS RECYCLING. WE ALSO RECOGNIZE COMMUNITIES AND BUSINESSES IN THE COMMUNITY THAT ARE DOING GREAT EFFORTS TOWARDS WASTE PREVENTION. WE HAVE AN ANNUAL COLORING CONTEST AND EVERY CHILD THAT ENTERS RECEIVES ONE. AND WE ALSO HAVE A

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WASTE BINGO GAME WE'VE DEVELOPED THAT WE WILL TALK ABOUT A LITTLE LATER.

THIS IS THE BINGO GAME. ONE NIGHT I WAS KIND OF BORED, DIDN'T HAVE ANYTHING TO DO AT WORK, SO WE SAT DOWN AND DECIDED TO DO A BINGO GAME. TO MY KNOWLEDGE, THIS IS THE ONLY WASTE BINGO GAME IN THE STATE. IT INCLUDES TIRES, HAZARDOUS WASTE, USED OIL. THE FRONT, IT HAS THE WORDS. ON THE BACK, IT HAS THE PHOTOS. ANYONE WHO TRIES TO DO PRESENTATIONS TO A K THROUGH 3 CLASS KNOWS HOW DIFFICULT IT IS. THEREFORE, WE TAKE THE GAME INTO THE CLASSROOM, WE PLAY BINGO WITH BEANS, SO WE CAN USE THEM OVER AND OVER AGAIN. AND WHEN THE CHILD GETS DONE PLAYING, THEY RECEIVE A CERTIFICATE.

THE OTHER THING WE DO IS SOMETIMES WE FORGET TO LET THOSE WHO GOVERN OUR COMMUNITIES KNOW WHAT WE'RE DOING. WE LOOK FOR EVERY SINGLE OPPORTUNITY EVERY SINGLE DAY TO GET IN FRONT OF THE 24 CITY COUNCILS AND OUR BOARD OF SUPERVISORS. SO WE OFTEN PROCLAIM CHRISTMAS TREE RECYCLING WEEK, BUSINESS RECYCLING DAY, WASTE PREVENTION DAY, YOU NAME IT, WE PROCLAIM IT. WE GO FROM THE CITY ALL THE WAY TO THE STATE ASSEMBLY, AND THESE GARNER OUR WALLS TO LET PEOPLE KNOW WHAT WE'RE

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DOING IN THE COMMUNITY, AND GIVES YOU AN OPPORTUNITY TO LET YOUR COMMUNITIES KNOW WHAT WE'RE DOING.

ANOTHER PROGRAM WE JUST FINISHED WITH THE HELP OF THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD, WE HAD A SCHOOL DISTRICTWIDE RECYCLING WORKSHOP. WE ALSO DID AN INTERNET WORKSHOP FOR OUR RECYCLING COORDINATORS. WE FEEL IT IS VERY IMPORTANT TO KEEP THEM UP ON THE LATEST. WE ALSO HAD TERRY CRONIN COME DOWN FROM THE WASTE BOARD AND WE DID A WASTE -- BUSINESS RECYCLING WORKSHOP TEACHING OUR RECYCLING COORDINATORS HOW TO DO WASTE AUDITS. SHE ALSO THEN RETURNED AND WE WENT TO ONTARIO MILLS, WHICH IS THE LARGE OUTLET MALL, I UNDERSTAND, IN THE STATE OF CALIFORNIA WITH 200 STORES. THEY WERE GENERATING SO MUCH WASTE, WE FELT IT WAS VERY IMPORTANT TO GO RIGHT TO THEM. AND WE DID A RETAIL RECYCLING WORKSHOP WITH HER ASSISTANT ALSO. WE ALSO HAD CALMAX COME DOWN AND WORK WITH OUR RECYCLING COORDINATORS.

WE ALSO LOOK FOR EVERY OPPORTUNITY POSSIBLE TO BE IN THE MEDIA. WITH A VERY LIMITED BUDGET, IT IS IMPORTANT TO LOOK FOR OUTLETS WITHOUT PAYING FOR THEM. WE ARE REGULARLY SEEN IN

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ALL THE HOME AND GARDEN TABS IN ALL THE MAJOR PUBLICATIONS. I HAVE A WEEKLY COLUMN IN THE HOME GUIDE. AFTER MOVING HERE FROM NORTHERN CALIFORNIA AND WATCHING ALL THE STUFF I HAD ACCUMULATED FOR 22 YEARS, I WAS WONDERING WHAT TO DO WITH IT BESIDES TAKING IT TO THE LANDFILL. COME TO FIND OUT, THE MOVER OWNED A SECONDHAND STORE IN ROSEVILLE AND HE GOT A LARGE AMOUNT OF STUFF. SO ANYWAY, THIS COLUMN HERE TEACHES THE COMMUNITY, ESPECIALLY NEW HOME BUYERS AND PEOPLE THINKING ABOUT BUYING THEIR HOMES, WHAT TO DO WITH THEIR ADDITIONAL WASTE.

WE ALSO TEAMED UP -- ANOTHER NEW PARTNER WE HAVE IS PACIFIC BELL. AND IN ONE DAY ALONE WE COLLECTED 11,000 PHONE BOOKS. WE ALSO JUST STARTED AN 8TH GRADE ESSAY CONTEST, AND IN THIS FIRST YEAR WE HAD 250 ESSAYS AND THIS YEAR WE HAD 750 ESSAYS. THE TOPIC WAS REUSE AND REDUCE. DUE TO THE FACT THAT RECYCLING -- WE'VE MET OUR 25-PERCENT MANDATES. LOOKING AT 50 PERCENT, WE FEEL IT'S MORE IMPORTANT TO EDUCATE THE PUBLIC ON THE IMPORTANCE OF THAT.

WE ALSO AWARD THE TEACHERS. WHAT WE DID IS PARTNERED WITH THE LOCAL ROTARY CLUB AND TUESDAY, ON EARTH DAY, WE HONORED OVER 50 PEOPLE

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AT OUR LUNCHEON. THIS IS THE POSTER THAT WAS SENT TO REMIND THE TEACHERS OF THE CUTOFF DATE AND THIS IS THE WINNING ESSAY. THIS CHILD WAS AN AT-RISK CHILD AND SHE ACTUALLY WON OUT OF OVER 750. IT WAS KIND OF FUNNY, WHEN SHE READ HER ESSAY, WE HAD THE TOP FOUR READ THEIR ESSAYS, THEY GO BACK TO TELLING ALL OF US TO USE CLOTH DIAPERS.

THIS IS OUR LEAVE LESS BEHIND, A NEW PROGRAM THAT WE IMPLEMENTED. LAST YEAR IT WAS FUNDED THROUGH THE CALIFORNIA LEAGUE OF CITIES AND THE CALIFORNIA STATE COUNTIES ASSOCIATION AND THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD. THIS IS A 16-PAGE TAB THAT IS DISTRIBUTED TO 230,000 HOUSEHOLDS THROUGHOUT THE COUNTY. IT IS FULL OF INFORMATION REGARDING WASTE PREVENTION.

THE NEAT THING ABOUT THIS IS THAT THIS IS THE FIRST TIME ALL THE CITY RECYCLING COORDINATORS ACTUALLY GIVE THE COUNTY MONEY TO DISTRIBUTE THIS. WE HAVE A 90-PERCENT PARTICIPATION RATE. WHEN YOU OPEN THE FRONT TAB, IT WILL HAVE A PICTURE OF ALL THE RECYCLING COORDINATORS. WE WRITE THE ARTICLES, WE GHOST WRITE THEM FOR THE RECYCLING COORDINATORS, SO THEIR NAMES ARE A LARGE PART OF THIS. THIS TIME WE ADDED THE DEPARTMENT OF ENVIRONMENTAL HEALTH,

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AND THERE'S AN ARTICLE ON TIRES, AND NEXT YEAR WE'LL BE ADDING THE FIRE DEPARTMENT TO DO HOUSEHOLD HAZARDOUS WASTE AND USED OIL. THESE ARE ALSO IN THE BACK OF THE ROOM IF YOU'RE INTERESTED IN LOOKING AT THEM.

WE KNOW THEY HAVE A SHELF LIFE. ON THE BACK THERE IS A COLORING CONTEST. LAST YEAR WE HAD 1200 ENTRIES; THIS YEAR THERE ARE 2,000 OF THEM SITTING ON MY DESK, WAITING TO BE JUDGED. AND OF THOSE 2,000, THERE'S ABOUT 10 FROM LAST YEAR'S COLORING CONTEST. WE USED TWO DIFFERENT COLORING THINGS SO WE KNOW THAT SOME PEOPLE HELD ONTO THEM FOR ONE YEAR.

HERE IS LAST YEAR'S COLORING CONTEST. THIS IS R.C. COYOTE OUT OF RANCHO CUCAMONGA. WE HAVE THREE DIFFERENT AGE DIVISIONS, THREE TO FIVE, SIX TO NINE, AND TEN TO TWELVE. WE ALSO RECOGNIZE THEM AT THEIR CITY COUNCIL MEETING.

THIS LAST YEAR WE MADE THE DECISION AND GOT THE 24 CITIES TO PARTNER WITH US AND CHANGE OUR FREE DUMP DAY TO NATIONAL MAKE A DIFFERENCE DAY. AND WHAT HAPPENED IS ALL THE COMMUNITIES THROUGHOUT THE COUNTY WORKED HARD TO DO A COMMUNITY CLEANUP DAY. THERE WAS ALSO TIRE AMNESTY DAYS AND USED OIL DAYS.

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WHAT OCCURRED FROM THIS IS TONS OF MEDIA COVERAGE, AND IT'S IMPORTANT TO DO FREE DUMP DAYS BECAUSE IT HELPS WITH THE ILLEGAL DUMPING THROUGHOUT THE COMMUNITY. WHAT HAPPENED IS WE ENDED UP WINNING THE NATIONAL MAKE A DIFFERENCE DAY AWARD. THIS IS THE ONE THROUGH U.S.A. WEEKEND. I WILL BE GOING BACK TO -- I HAVE TO SAY WASHINGTON FOR MY BOSS BECAUSE I ALWAYS SAY WASHINGTON, NEXT FRIDAY, AND I WILL BE HAVING LUNCH WITH PRESIDENT CLINTON AND HILLARY CLINTON AND COLIN POWELL TO RECEIVE THE AWARD ON BEHALF OF THE COUNTY. THIS WAS DISTRIBUTED THROUGHOUT THE NATION, IT DIDN'T COST US ANY ADDITIONAL FUNDS ON OUR CLEANUP DAY. WE COLLECTED 3500 TONS OF GARBAGE, 2400 GALLONS OF OIL, AND 5,000 TIRES. THE ARTICLE THAT WAS JUST RECENTLY IN THE "SUN." THAT'S MY COUNTERPART, REX RICHARDSON, IN THE CENTER.

WE ALSO HELPED A LOCAL NEWSPAPER WITH THEIR EARTH TAB. WE HAVE 90 PERCENT OF IT, DIDN'T PAY FOR ANY OF IT. WE ALSO SAW THAT THE ENVIRONMENTAL EXPO WAS STARTING TO STRUGGLE. WE ARE THE MAJOR SPONSOR OF THE ENVIRONMENTAL EXPO. WE ADDED AN ART SHOW TO IT, ENVIRONMENTAL BINGO, AND WE GOT THE RECYCLING COORDINATORS TO

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PARTICIPATE AT A MORE ACTIVE LEVEL. AND WE ALSO, THROUGH ONE OF OUR GRANTS FOR TEACHERS PROGRAM, FUNDED TWO OF THE ENTERTAINMENTS. WE ALSO ADDED THIS ART SHOW. I JUST WANT TO LET YOU KNOW THAT WE BELIEVE IN WHAT WE DO. THIS IS MADE OUT OF OLD CARDBOARD, A LEAF, AN OLD PAPER CLIP, AND OLD PAPER THAT WE HAD AND SENT OUT TO ALL THE PEOPLE INVITING THEM TO THE RECEPTION.

THIS IS THE ART SHOW THAT WAS FEATURED IN THE WEEKEND EDITION. THIS IS ONE OF THE MASKS. IT'S ENTITLED "MASK OF AURORA." IT WON FIRST. THIS IS OUT OF RECYCLED PAPER. THIS IS THE COLLAGE. IT'S MADE OUT OF OLD PHOTO FILM. IT'S CALLED "SUNSET." THIS IS THE SCULPTURE. THIS IS DIRT. AND WHAT IT IS, IT'S CALLED THE "GARDEN OF DREAMS." AND THE LITTLE PODS ON TOP OF THE PEDESTALS, THOSE ARE BUDS. AND THAT WAS THE FIRST PLACE SCULPTURE. THESE ARE LOCATED ON THE SECOND FLOOR OF THE ROTUNDA, AND WE INVITE YOU TO LOOK AT THEM. WE ALSO HAVE ASKED IF WE COULD BRING THE WINNING THREE TO THE WASTE BOARD AND KEEP THEM ON DISPLAY AFTER THEY TOUR THE 24 CITIES.

OUR NEXT BIG PROJECT IS WITH THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD AND

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THE LOCAL GOVERNMENT COMMISSION. THE COUNTY AND NORCAL ARE A MAJOR SPONSOR OF SECOND CHANCE WEEK, WHICH PROMOTES REUSE AND REDUCE. OUR OFFICE DESIGNED ALL THE ARTWORK FOR THIS DAY. WE RECENTLY MET WITH PAC BELL IN SAN FRANCISCO, AND FOR FREE WE WILL BE PROFILED IN THE INSIDE COVER IN THE COMMUNITY EVENTS AND ALSO IN THE RECYCLING INFORMATION. SO THIS WEEK NOW HAS ANOTHER MAJOR SPONSOR AT NO COST TO US, AND WE'LL BE IN EVERY PAC BELL PHONEBOOK UP AND DOWN THE STATE.

WHEN WE MET WITH THEM, WE ALSO TOOK THAT OPPORTUNITY TO MAKE SURE NOW THAT SAN BERNARDINO COUNTY PHONE BOOKS WILL HAVE ALL OF OUR RECYCLING EVENTS, INCLUDING THE ENVIRONMENTAL EXPO, ESSAY CONTEST, COLORING CONTEST, ANYTHING WE DO ENVIRONMENTALLY NOW WILL BE FEATURED WITH PAC BELL.

WE ALSO BELIEVE IN WHAT WE DO. THEREFORE, WE ARE ALSO A WRAP WINNER. AND THE OTHER 15 WRAP WINNERS WERE ALSO RECOGNIZED BY OUR LOCAL COUNTY SUPERVISORS.

IN CONCLUSION -- AND COULD I HAVE THE LIGHTS COME UP A SECOND, OTHERWISE I WON'T TO BE ABLE TO READ THIS. OVER THE LAST YEAR WE HAVE CREATED 150 PARTNERSHIPS, SO THAT BUDGET WILL GO

A

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LONG WAYS. BUT I JUST FOUND A NEW PARTNER THE OTHER DAY.

ARE THE LIGHTS GOING TO GO UP?

CHAIRMAN PENNINGTON: THEY'RE WORKING ON IT.

MS. PATANI: NOT ONLY CAN I NOT SEE UP CLOSE, I'M NIGHT BLIND. THERE WILL ALSO BE SOME OF THE ART EXHIBITS AT THE RECEPTION THIS EVENING FOR THOSE OF YOU WHO CAN'T MAKE IT UPSTAIRS.

CHAIRMAN PENNINGTON: WHILE WE'RE WAITING, LET ME CONGRATULATE YOU ON A WONDERFUL JOB. YOU'RE DOING A MAGNIFICENT JOB DOWN HERE.

MS. PATANI: THANK YOU.

CHAIRMAN PENNINGTON: ALSO, I KNOW -- WHILE WE'RE IN THE DARK, I WOULD LIKE TO -- I WOULD LIKE TO -- YOU CAN SEE THEM WHEN THE LIGHT COMES ON -- WELCOME ONE OF OUR FORMER COLLEAGUES WHO JUST WALKED IN, SAM EGIGIAN. HE'S UP OVER HERE.

SAM, IT'S NICE TO HAVE YOU HERE.

MS. PATANI: THANK YOU.

AFTER THE WASTE PREVENTION TAB WENT OUT ABOUT TWO WEEKS AGO, I RECEIVED THIS LETTER. "I ADMIRE PEOPLE WHO TRY TO CLEAN UP THE PLANET. I ALWAYS TELL PEOPLE HOW IMPORTANT IT IS TO CLEAN

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UP THE PLANET. I ALWAYS TRY MY HARDEST TO CLEAN IT UP. IT FEELS LIKE I AM THE ONLY ONE DOING THAT JOB. MY MOM, BROTHER AND FRIENDS DON'T EVEN HELP. I THINK WE SHOULD KEEP THE PLANET CLEAN FOR THE PEOPLE IN 2000 AND 3000, AND ETC., AND ETC. I GET ON MY BEST GLOVES, AND I GO OUT AND START IN THE FRONT AND BACK YARDS, THEN THE DESERT. I TRY TO PLANT ROSES AND SUCH, BUT IT IS VERY HARD. AND I TRY TO CLEAN IT UP, ALL BY MYSELF. MY BROTHER THINKS IT'S A WASTE OF TIME, BUT HE WILL SEE THAT WHAT HE CALLS STUPID, COOL, CHANGED AND SAVED THE PLANET. I CAN'T WRITE TO ANYONE ELSE BECAUSE THEY WILL MAKE FUN OF ME, LIKE ALWAYS, BUT I FEEL I CAN WRITE TO YOU AND YOU WILL UNDERSTAND. THANK YOU FOR YOUR TIME. PLEASE WRITE BACK TO ME. PLEASE WRITE BACK. JESSICA BLACK." MY NEW PARTNER.

CHAIRMAN PENNINGTON: THANK YOU VERY MUCH. NOW WE'LL HEAR FROM PAMELA BENNETT, CHIEF OF ENVIRONMENTAL HEALTH SERVICES, SAN BERNARDINO COUNTY.

MS. BENNETT: WE WILL BE CHANGING THE GRAPHICS AROUND A LITTLE BIT HERE, BUT I WOULD LIKE TO ECHO -- MR.'CHAIRMAN AND BOARD MEMBERS, I WOULD LIKE TO ECHO SUPERVISOR EAVES, JERRY NEWCOMB, AND SUSAN PATANI'S IN APPRECIATION THAT

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YOU CAME TO SOUTHERN CALIFORNIA AND ARE SPENDING THESE TWO DAYS HERE. I HAVE SOME GRAPHICS. MINE ARE COMPUTER-GENERATED, AND I HOPE THE SYSTEM WORKS. THERE WE GO. IT LOOKS LIKE WE ALL HAVE SIMILAR SLIDES, BUT WITH DIFFERENT STATES.

BEING THE LEA FOR A JURISDICTION AS LARGE AS SAN BERNARDINO COUNTY IS REALLY A CHALLENGING TASK. THE LEA, AS MENTIONED PREVIOUSLY, INTERACTS WITH TWO AIR QUALITY MANAGEMENT DISTRICTS AND THREE WATER QUALITY CONTROL BOARDS IN ADDITION TO THIS CIWMB. OUR STAFF PERFORM OVER 500 WASTE FACILITIES INSPECTIONS PER YEAR. THROUGH TITLE 14 WE OVERSEE OVER 30 ACTIVE FACILITIES, INCLUDING SOLID WASTE LANDFILLS, SLUDGE AND GREEN WASTE COMPOSTING FACILITIES, TRANSFER STATIONS, MATERIAL RECOVERY FACILITIES, AND ASH MONOFILS. IN ADDITION, THROUGH COUNTY LOCAL ORDINANCE, THE LEA ALSO REGULATES, BECAUSE WE HAVE A LARGE AGRICULTURAL AREA, OUR COMMERCIAL FERTILIZER HAULERS AND OUR REFUSE HAULERS.

SINCE 1994 THE LEA HAS ISSUED ONE REGISTRATION PERMIT AND 25 -- I'M SURE YOU HEARD EVERY ONE OF THEM -- FULL SOLID WASTE FACILITIES PERMIT. IN THE LAST YEAR WE HAVE ALSO REVIEWED 15

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CLOSURE, POSTCLOSURE MAINTENANCE PLANS, IN ADDITION TO REVIEWING ALTERNATIVE DAILY COVER PROJECTS USING GEOTEXTILE BLANKETS, GREEN WASTE AND FOAM AS SUBSTITUTES FOR NATIVE SOIL COVER MATERIAL.

THE CHALLENGES WE FACE. AN EXAMPLE OF THE CHALLENGES FACED BY THE LEA CONCERNS ILLEGAL DUMPING AND ILLEGAL DUMP SITES. ENFORCING THE ACTION AND SUBSEQUENT COMPLIANCE ARE DIFFICULT TO OBTAIN WHEN THE COST OF THE ABATEMENT EXCEEDS THE PROPERTY'S VALUE. THESE CHALLENGES AND THEIR SOLUTIONS DEPEND ON EFFECTIVE PARTNERSHIP BETWEEN THE LEA'S AND THE CIWMB.

AN EXAMPLE OF THIS PARTNERSHIP IS THE CLEANUP AT WONDER VALLEY. THIS SITE IS ONE OF FOUR ILLEGAL DUMPS THAT HAS BEEN SUCCESSFULLY CLEAN CLOSED WITH THE ASSISTANCE OF THE WASTE BOARD STAFF THROUGH AB 2136. THE ILLEGAL DUMP AT WONDER VALLEY CONSISTED OF 100 CUBIC YARDS OF SOLID WASTE AND 18 INOPERABLE VEHICLES. IT COVERED PORTIONS OF THREE SEPARATE FIVE-ACRE PARCELS. IT LOOKED PRETTY BAD TOO.

THE LEA INVESTIGATED THE SITE AND FOUND THREE PROPERTY OWNERS. AS PART OF OUR ENFORCEMENT, WE SENT ABATEMENT ORDERS TO THE

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PROPERTY OWNERS WITH REALLY MINOR SUCCESS. WE THEN CONTACTED CIWMB CLOSURE BRANCH STAFF TO SEE IF THIS SITE WOULD QUALIFY FOR AB 2136.

IN 1996 THE WASTE BOARD APPROVED FUNDING FOR THE SITE AND HIRED CONTRACTORS TO CLEAN UP THE PROPERTY. IN FEBRUARY OF JUST THIS YEAR, THESE CLEANUP ACTIVITIES WERE COMPLETED. THE LEA CONTINUES TO MONITOR THE SITE TO PREVENT ANY FURTHER PROBLEMS, AND WE ARE PLEASED TO SAY NO MORE DUMPING HAS OCCURRED AT THIS SITE SINCE THE CLEANUP. WE THINK THAT'S A MUCH BETTER PICTURE THAN THE PREVIOUS ONE.

IN SAN BERNARDINO COUNTY WE WORK TO PREVENT A SMALL PILE OF TRASH FROM BECOMING AN EVER GROWING PILE, ATTRACTING THOSE WHO MIGHT USE A VACANT PIECE OF LAND AS A DUMPING GROUND. THIS GOAL IS EFFECTIVELY ACCOMPLISHED BY OUR ENVIRONMENTAL ENHANCEMENT PROGRAM. THEY RELY ON THE USE OF TRAINED STAFF AND OUR WORK SENTENCE RELEASE PROGRAM THROUGH THE SHERIFF'S DEPARTMENT. OUR STAFF INVESTIGATES COMPLAINTS OF ILLEGAL DUMPING ACTIVITY, THEY ASSESS THE SITE TO DETERMINE THE EXTENT AND TYPES OF WASTE, AND WE MAKE ARRANGEMENTS TO DISPOSE OF THE -- ANY POTENTIALLY HAZARDOUS MATERIALS.

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THE SITE IS THEN CLEANED UP BY OUR STAFF AND THE WORK SENTENCE PEOPLE. WASTE TIRES AND OTHER RECYCLED MATERIALS ARE SEPARATED OUT AND TAKEN TO APPROPRIATE RECYCLING FACILITIES. THE REMAINING WASTE WILL BE MOVED TO THE NEAREST COUNTY LANDFILL WHERE NORCAL AND THE WASTE SYSTEMS DIVISION PARTICIPATE BY PROVIDING US AN ANNUAL CREDIT TO HELP DEFRAY THE LANDFILL TIPPING COST.

THE LEA HAS ALSO STRIVED TO BRING THE EXISTING PERMITTED SOLID WASTE FACILITIES INTO COMPLIANCE WITH STATE MINIMUM STANDARDS. IN PREPARATION FOR THIS PRESENTATION, OUR STAFF REVIEWED INSPECTION REPORTS FOR THE 16 COUNTY-OPERATED LANDFILLS.

IN EARLY 1992 LEA STAFF DISCOVERED AN AVERAGE OF 14 VIOLATIONS AND 10 AREAS OF CONCERN PER INSPECTION AT THESE FACILITIES. AS A RESULT OF THE COMBINATION OF ENFORCEMENT AND EDUCATION BY THE LEA, IN THE PAST FIVE YEARS WITH WASTE SYSTEMS DIVISION AND SITE OPERATOR NORCAL AS A SITE CONTRACTOR, THEY HAVE EXPENDED TREMENDOUS EFFORT IN SUCCESSFULLY CLEANING UP THESE FACILITIES. AS EVIDENCE, AND JERRY MENTIONED THIS, OF EVERYBODY'S HARD WORK, THE LEA INSPECTORS OBSERVED FEWER THAN ONE AND A HALF VIOLATIONS PER

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INSPECTION THIS YEAR.

WHEN WE LOOK TO THE FUTURE, AS SAN BERNARDINO COUNTY CONSOLIDATES OUR 17 EXISTING ACTIVE SOLID WASTE FACILITIES INTO FEWER REGIONALIZED LANDFILLS SUPPORTED BY TRANSFER STATIONS AND LIMITED VOLUME TRANSFER STATIONS, THE LEA WILL CONTINUE TO WORK CLOSELY WITH NORCAL WASTE SYSTEMS DIVISION TO FIND SOLUTIONS TO THE MANY ISSUES OF SITING AND PERMITTING THE NEW NONTRADITIONAL FACILITIES AND TO THE PROPOSED CLOSING OF EXISTING LANDFILLS.

AS PART OF THIS EFFORT, THE COUNTY WASTE SYSTEMS DIVISION AND NORCAL HAVE STARTED AN ALTERNATIVE FINAL COVER DEMONSTRATION PROJECT AT MILLIKIN IN ONTARIO TO OBTAIN APPROVAL OF MONOLITHIC SOIL AS A FINAL COVER. THE LEA, IN CLOSE COOPERATION WITH THE SANTA ANA REGIONAL WATER QUALITY CONTROL BOARD AND THE WASTE BOARD CLOSURE BRANCH, WILL MONITOR THIS PROJECT OVER THE NEXT SEVERAL MONTHS TO EVALUATE THE PERFORMANCE OF THIS COVER MATERIAL. USE OF THIS MATERIAL WILL POTENTIALLY OVERCOME PERFORMANCE PROBLEMS WITH THE PROSCRIPTIVE CLAY CAP, THAT AN ARID CLIMATE LIKE US TEND TO CRACK, WHILE SUBSTANTIALLY REDUCING THE COST OF CLOSING THE COUNTY LANDFILLS.

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AS PART OF THE COUNTY'S EFFORT TO RECYCLE, THE LEA HAS PERMITTED TWO MATERIALS RECOVERY FACILITIES AND THREE COMPOSTING FACILITIES. THESE FACILITIES AND OTHERS ALLOW THE LOCAL COMMUNITIES TO PURSUE AND MEET THE STATE WASTE REDUCTION AND DIVERSION GOALS. IN ADDITION, OUR STAFF WAS ACTIVELY INVOLVED IN THE DEVELOPMENT OF THE WASTE BOARD'S GREEN WASTE COMPOSTING REGULATION IN 1993, THE 1995 COMPOSTING REGULATION, AND THE 1997 EMERGENCY COMPOSTING REGULATIONS.

BUT BEING AN LEA FOR SUCH A LARGE AND DIVERSE JURISDICTION HAS PRESENTED MANY COMPLEX CHALLENGES. THE LEA HAS MET THESE CHALLENGES TO DEVELOP AN EXTENSIVE KNOWLEDGE AND EXPERTISE WHICH ENCOMPASSES INSPECTION, ENFORCEMENT AND PERMITTING OF OVER 30 ACTIVE SOLID WASTE FACILITIES, VARIOUS ALTERNATIVE DAILY COVER PROJECTS, AND GAS AND LEACHATE CONTROL ISSUES.

WE HAVE SHARED OUR INSIGHT AND EXPERIENCES THROUGH OUR COMMENTS TO THE WASTE BOARD ON THE DEVELOPMENT OF REGULATIONS OF TIERED PERMITTING, COMPOSTING, ASH DISPOSAL, AND TRANSFER

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24 STATIONS. WE CONTINUE TO PREPARE FOR A
25 CHALLENGING FUTURE BY PARTICIPATING IN THE
VARIOUS

PROGRAMS ADDRESSING COMPOSTING, LANDFILL GAS, ASBESTOS, IMPLEMENTATION OF AB 1220, AND OTHER IMPORTANT ISSUES.

THANK YOU.

CHAIRMAN PENNINGTON: THANK YOU. ANY QUESTIONS OF ANY OF THE PRESENTERS? OKAY. THEN WE'LL MOVE BACK TO COMMITTEE STAFF REPORTS.

BOARD MEMBER RELIS: BEFORE WE LEAVE THE LOCAL PRESENTATION, FIRST, I WANTED TO THANK ALL OF THE REPRESENTATIVES FROM SAN BERNARDINO COUNTY FOR, I THINK, A VERY INFORMATIVE, BOTH EDUCATION AND IMPORTANT ACCOMPLISHMENTS CONCERNING COMPLIANCE REGARDING THE LANDFILLS AND ENFORCEMENT AND THE CLOSURE PROGRESS.

IN ADDITION, I JUST WANTED TO SAY FROM MY OWN SITE VISITS YESTERDAY, AND I KNOW WE'VE ALL BEEN INVOLVED IN SITE VISITS THE LAST FEW DAYS, SAN BERNARDINO COUNTY AND NEIGHBORING RIVERSIDE COUNTY BECOME AN IMPORTANT INDICATOR OF WHAT'S POSSIBLE AND WHAT ISN'T UNDER AB 939 UNDER DIVERSION.

I WAS PARTICULARLY STRUCK YESTERDAY

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23 WITH THE SITE VISIT TO THE VERMICOMPOST FACILITY

24 OUT THERE IN PERRIS WHERE I SAW A VERY

SUCCESSFUL

25 OPERATION DEALING WITH A HUNDRED TONS A DAY OF

CLEAN GREEN AND CONVERTING THAT INTO A HIGHLY VALUABLE MARKET -- MARKETABLE PRODUCT WITHIN THE SOUTHERN CALIFORNIA LANDFILL COST STRUCTURE. IN OTHER WORDS, WE DISCUSSED THE ECONOMICS AND HOW THAT WORKS AS A LOW COST DIVERSION EFFORT. IT ALSO INDICATED TO ME THAT SOME OF THESE FACILITIES, ALREADY SITED OR IN THE FUTURE, LEGITIMATE VERMICOMPOSTING OPERATIONS, COULD OPERATE MORE ON THIS SIDE OF THE VALLEY.

IN TEMECULA I SAW A FACILITY OR A PROGRAM THAT INCORPORATES THREE CONTAINER RECOVERY SYSTEMS AND VARIABLE CAN RATE FOR RESIDENTIAL SYSTEM. AND THAT, I THINK, IS POSSIBLY A PROGRAM WE WANT TO STUDY, ALL IN THIS CONTEXT OF THE GOOD FAITH EFFORT BECAUSE WE'RE STARTING TO SEE FULLY BUILT-OUT PROGRAMS.

THIRD, I WENT INTO THE UPPER DESERT, UP AT VICTORVILLE, AND I THINK THAT'S INSTRUCTIVE BECAUSE YOU REALIZE THAT THERE IS VIRTUALLY NO GREEN WASTE AVAILABLE UP THERE, AND WE HAVE A VERY DIFFERENT SYSTEM AND A VERY CONSTRAINED SYSTEM ON THE RECOVERY RATES COMPARATIVELY. SO I HOPE OUR STAFF WILL TAKE NOTE OF SOME OF THESE ENDEAVORS DOWN HERE BECAUSE, AS WE ASSEMBLE OUR INFORMATION

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25 SYSTEM IN THIS LARGE COUNTY AND NEIGHBORING

COUNTY, WE HAVE FACILITIES OF EVERY TYPE AND PROGRAM OF EVERY TYPE THAT WILL BE VERY USEFUL TO OUR GETTING OUT THE BOTTOM LINE OF THIS GOOD FAITH EFFORT THAT LIES BEFORE US A LITTLE FURTHER AHEAD. SO I JUST WANTED TO MAKE THAT STATEMENT AND OBSERVATION.

CHAIRMAN PENNINGTON: THANK YOU. ANY OTHER COMMENTS? IF NOT, WE'LL GO TO THE LOCAL ASSISTANCE AND PLANNING COMMITTEE REPORT BY MR. WESLEY CHESBRO.

BOARD MEMBER GOTCH: MR. CHAIR, IF I MAY HAVE MR. CHESBRO, FOR A SECOND, I WOULD LIKE TO EX PARTE THIS LETTER WE ALL RECEIVED. I THINK YOUR NAME AND MINE IS ON THIS FROM SENATOR --

CHAIRMAN PENNINGTON: I ENTERED THAT.

BOARD MEMBER GOTCH: YOU HAD ALREADY ENTERED THAT? THANK YOU. WELL, I'M ALSO ENTERING MY NAME.

CHAIRMAN PENNINGTON: OKAY.

BOARD MEMBER CHESBRO: MR. CHAIRMAN,

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21 BOARD MEMBERS, THE LOCAL ASSISTANCE AND PLANNING

22 COMMITTEE RECEIVED ITS USUAL UPDATES FROM THE

23 DEPUTY DIRECTORS FOR DIVERSION, PLANNING AND

LOCAL

24 ASSISTANCE AND WASTE PREVENTION AND MARKET
25 DEVELOPMENT. THE COMMITTEE CONSIDERED 17
PLANNING

DOCUMENTS, WHICH REPRESENTED TEN JURISDICTIONS, AND ALL THOSE PLANS ARE ON THE CONSENT CALENDAR. WE ALSO PROCESSED AND MADE RECOMMENDATIONS TO THE BOARD TO APPROVE ANOTHER TWO-YEAR TIME EXTENSION FOR MEETING THE DIVERSION REQUIREMENTS FOR THE CITY OF GREENFIELD IN MONTEREY COUNTY, WHICH IS A VERY SMALL CITY IN A RURAL AREA. THIS, TOO, WAS PLACED ON THE CONSENT AGENDA.

AND I WANT TO NOTE, IN KEEPING WITH THE GENERAL DISCUSSION WE'VE HAD ABOUT TRYING TO STREAMLINE THINGS FOR THE RURAL AND SMALLER COMMUNITIES, WE INFORMALLY -- NOT BY A FORMAL ACTION -- ASKED STAFF TO BEGIN PLACING THOSE FOR RURAL AREAS, THE REDUCTION AND REQUIREMENTS AND TIME EXTENSIONS ON OUR CONSENT CALENDAR AT THE COMMITTEE AS WELL, ON THE ASSUMPTION THAT WE'RE GOING TO START HAVING MORE OF A STANDARDIZED PROCEDURE FOR PROCESSING THOSE.

IF THERE'S ANY ISSUES, OBVIOUSLY, OTHER STAFF WOULD PUT IT ON THE MAIN COMMITTEE AGENDA. OR IF THERE'S ANY OBJECTIONS BY THE PUBLIC OR MEMBERS OF THE BOARD, BUT THAT IS A STEP TOWARDS WHAT WE HAD BEEN TALKING ABOUT IN STREAMLINING THE RURAL ASSISTANCE AND RELIEF PROCEDURES.

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THE COMMITTEE FORWARDED TO THE BOARD TWO ITEMS TO BE HEARD ON THE REGULAR AGENDA: THE CONSIDERATION OF ENFORCEMENT OPTIONS FOR JURISDICTIONS THAT HAVE FAILED TO FILE ADEQUATE PLANNING ELEMENTS AND ALSO THE SELECTION OF THE RPPC ALL-CONTAINER RECYCLING RATE METHODOLOGY.

IN OTHER LOCAL ASSISTANCE NEWS, A TOTAL OF 241 APPLICATIONS, REPRESENTING 503 OF THE STATE'S 526 LOCAL JURISDICTIONS, WERE SUBMITTED FOR THE FIFTH CYCLE OF USED OIL BLOCK GRANTS. BECAUSE OF THE NEW MINIMUM GRANT AWARD AMOUNTS, MANY CITIES AND COUNTIES HAVE APPLIED FOR THE FIRST TIME. THEY HADN'T PREVIOUSLY APPLIED BECAUSE THE DOLLAR AMOUNTS FOR THEM WERE SO SMALL IT WASN'T WORTH IT, BUT WE'VE CHANGED THAT. ALL 58 COUNTIES IN THE STATE APPLIED FOR FUNDING. THE NEW AWARDS WILL PROVIDE USED OIL FUNDING TO 97 PERCENT OF THE STATE'S POPULATION.

ANOTHER SIGNIFICANT EFFORT IN THE USED OIL PROGRAM IS THROUGH THE USE OF OIL, THE OIL FILTER PILOT PROGRAM. STAFF HAD FACILITATED THE COOPERATION OF THE COUNTIES OF SACRAMENTO AND LOS ANGELES WITH KRAGEN AUTO PARTS TO COLLECT USED OIL FILTERS WITHIN THOSE COUNTIES. AND I JUST

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25 WANTED TO COMMEND STAFF FOR ANOTHER
PUBLIC/PRIVATE

1 PARTNERSHIP THAT HAS BEEN DEVELOPED HERE.
2 IN WASTE PREVENTION NEWS, THE
3 BOARD'S GRASSCYCLING POSTER HAS GONE NATIONAL.
4 WE'VE HAD REQUESTS BY -- WAL-MART STORES WHO ARE
5 IN CALIFORNIA HAD BEEN USING THESE. WAL-MART
6 STORES ELSEWHERE IN THE COUNTRY NOW HAVE
REQUESTED
7 COPIES OF THE GRASSCYCLING POSTER AND BROCHURE TO
8 BE USED IN UPCOMING EDUCATION CAMPAIGNS. SO IT'S
9 CAUGHT ATTENTION BEYOND OUR STATE BOUNDARIES.
THE
10 POSTER IS ALREADY IN WAL-MART STORES THROUGHOUT
11 THE STATE, AND STAFF HAVE CONTACTED THE LOCAL
12 GOVERNMENTS -- STATE GOVERNMENTS ELSEWHERE TO SEE
13 WHAT KIND OF ASSISTANCE WE CAN BE WHEN THEY'VE
14 ASKED FOR THAT ADDITIONAL INFORMATION.
15 OUR WASTE PREVENTION STAFF ARE
16 CONTINUING THE ASSISTANCE IN ESTABLISHING
17 GRASSCYCLING PROGRAMS WITH THE CITIES OF NAPA AND
18 LOS ANGELES. THE PROGRAM IN NAPA IS ANTICIPATED
19 TO START THIS SPRING, AND LOS ANGELES REPRESENTA-
20 TIVES HAVE DISCUSSED OPTIONS FOR PROVIDING
21 MULCHING MOWERS TO CITY RESIDENTS. AND THIS
WOULD
22 BE A PILOT PROGRAM, BUT THE POTENTIAL FOR THE
23 GRASSCYCLING EFFORT IS VERY EXCITING.

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24 I'M SURE OTHERS HAVE NOTICED THAT

IN
25 SACRAMENTO, ALTHOUGH I GUESS WE WEREN'T DIRECTLY

INVOLVED, BUT IT'S AN EXAMPLE OF WHAT COULD HAPPEN, THE AIR DISTRICT HAD A REBATE PROGRAM RECENTLY FOR SORT OF TURN IN YOUR OLD POLLUTING MOWER AND GET A NEW ELECTRIC MOWER, AND THOSE ARE ALSO MULCHING MOWERS. SO I THINK THERE'S GOING TO BE AN INCREASING SYNERGY THERE WHERE WE'LL SEE MORE PROGRAMS AROUND THE STATE THAT ARE AIMED AT SOLVING BOTH THE AIR QUALITY PROBLEMS THAT ARE CREATED BY INTERNAL COMBUSTION MOWERS WHILE AT THE SAME TIME REDUCING WASTE. I THINK WE WILL SEE MORE OF THAT.

THAT CONCLUDES MY REPORT.

CHAIRMAN PENNINGTON: THANK YOU, MR. CHESBRO.

NOW WE'LL HEAR ABOUT PERMITTING AND ENFORCEMENT FROM MR. FRAZEE.

BOARD MEMBER FRAZEE: YES, MR. CHAIRMAN, PERMITTING AND ENFORCEMENT COMMITTEE MET ON APRIL 15TH WITH A RATHER SHORT AGENDA, AT LEAST IN TERMS OF THE NUMBER OF ITEMS, ALTHOUGH IT TOOK QUITE SOME TIME TO GET THROUGH IT. FIRST OF ALL, ON THE CONSENT AGENDA TODAY, PERMIT ITEMS, THE OSTROM

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23 ROAD CENTER AND LANDFILL AND RIDGECREST CENTER

AND

24 LANDFILL. AND WE RECOMMENDED FOR CONSENT THE NEW
25 SITES FOR THE SOLID WASTE DISPOSAL AND CO-
DISPOSAL

SITE CLEANUP PROGRAM, AB 2136 PROGRAM, ON THE REGULAR AGENDA. AND THE COMMITTEE HEARD A REPORT ON THE OXFORD TIRE RECYCLING FACILITY STATUS, AND THAT WAS JUST FORWARDED TO THE BOARD WITHOUT ANY RECOMMENDATION.

OTHER ITEMS HEARD BUT WILL NOT APPEAR ON TODAY'S AGENDA, THE ASH REGULATIONS WERE SENT OUT FOR AN ADDITIONAL 15-DAY PUBLIC COMMENT PERIOD, AND THOSE WILL BE BACK TO US IN MAY FOR ADOPTION. AND THE DEVELOPMENT GUIDANCE DOCUMENT REGULATIONS FOR TIRE MONOFILLS, THE STAFF WAS DIRECTED TO PROCEED WITH THE DEVELOPMENT OF REGULATIONS FOR THOSE TIRE MONOFILLS. THE STRATEGIC PLAN FOR THE B & E, THE SO-CALLED OTHER 50 PERCENT ITEM, WAS HEARD AND THAT WILL BE BACK IN JUNE. AND THEN FINALLY, A STATUS REPORT ON LANDFILL GAS REGULATIONS.

AND THAT CONCLUDES MY REPORT.

CHAIRMAN PENNINGTON: THANK YOU, MR. FRAZEE. NOW WE'LL HEAR FROM THE MARKET DEVELOPMENT COMMITTEE, MR. PAUL RELIS, CHAIR.

BOARD MEMBER RELIS: MR. CHAIR, THE APRIL MARKET DEVELOPMENT COMMITTEE TOOK THREE ITEMS, NONE OF WHICH ARE ON THE BOARD'S AGENDA TODAY. FIRST, WE -- PRIOR TO THAT WE HAD A STAFF REPORT

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ON THE STATUS OF THE LOAN PROGRAM, WHICH WE ALWAYS HAVE MONTHLY, AND IT WAS NOTED THAT WE'VE HAD AN UPSWING IN APPLICATIONS TO THE LOAN PROGRAM AMOUNTING TO ROUGHLY 6.4 MILLION IN APPLICATIONS THIS QUARTER. WE'LL SEE HOW MANY ACTUALLY PROCESS THROUGH THE SYSTEM, BUT THAT, I THINK, IS ENCOURAGING.

FIRST, THE COMMITTEE CONSIDERED PROPOSED CHANGES IN THE REGULATIONS FOR THE RECYCLING MARKET DEVELOPMENT REVOLVING LOAN PROGRAM. THESE ARE IMPORTANT REGULATIONS, NOT THE LEAST BECAUSE THEY MOVE US INTO A CONTINUOUS CYCLE FOR ACCEPTING AND EVALUATING LOAN APPLICATIONS; THUS, WE'RE BEING RESPONSIVE TO ONE OF THE MOST REPEATED CRITIQUES OF THE PROGRAM IS THAT IT'S NOT READILY AVAILABLE ON A MONTHLY CYCLE LIKE OTHER LOAN PROGRAMS OFFERED BY BANKS.

WE HAD A CONSIDERABLE DISCUSSION ABOUT HOW TIRE LOANS FIT INTO THIS REGULATORY PACKAGE, THE ROLE OF THE LOAN COMMITTEE IN REVIEWING APPLICATIONS, AND THE QUORUM AND REQUIRED NUMBER OF AFFIRMATIVE VOTES FOR LOAN COMMITTEE ACTIONS. THE COMMITTEE DIRECTED STAFF TO NOTICE THE PROPOSED REGULATIONS FOR AN ADDITIONAL 15-DAY COMMENT PERIOD AND RETURN TO THE

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COMMITTEE FOR CONSIDERATION. SINCE THE 15-DAY COMMENT PERIOD WILL CLOSE AFTER THE SCHEDULED MAY COMMITTEE MEETING, THE COMMITTEE DIRECTED STAFF TO CONSIDER HOLDING A SPECIAL COMMITTEE MEETING PRIOR TO THE MAY BOARD MEETING.

SECOND, THE COMMITTEE CONSIDERED THE ISSUE OF PERSONAL GUARANTEES RELATED TO THE LOAN PROGRAM. IT ENCOURAGED STAFF TO IMPLEMENT STAFF'S RECOMMENDED POLICY AS AN INTERIM PROCEDURE, DIRECTED STAFF TO CIRCULATE THE PROPOSED POLICY FOR AN ADDITIONAL PUBLIC COMMENT, AND RETURN TO THE COMMITTEE FOR CONSIDERATION IN MAY. THIS HAS TO DO WITH THE UPPING THE -- TO 20-PERCENT INVOLVEMENT IN A LOAN, REMOVING THE PERSONAL GUARANTEE UNTIL IT'S A 20-PERCENT INTEREST INSTEAD OF 10.

FINALLY, THE COMMITTEE RECEIVED AN UPDATE ON IMPLEMENTATION OF THE CONSTRUCTION AND DEMOLITION DEBRIS MANAGEMENT PROGRAM, ONE OF OUR PRIORITY AREAS IN MARKET DEVELOPMENT. FOR THOSE NOT FAMILIAR WITH THIS PROGRAM, I WOULD LIKE TO COMPLIMENT STAFF FOR A GREAT JOB IN UNDERTAKING A

WIDE RANGE OF ACTIVITIES FOCUSED ON THE BOARD'S DISASTER PLAN, MILITARY BASE CLOSURES, MARKETING

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25 AND OUTREACH, AND DEVELOPMENT AND SPECIFICATIONS

RELATED TO CONSTRUCTION AND DEMOLITION MATERIALS AS THEY MIGHT BE APPLIED IN THE BUILDING SECTOR.

WE BRIEFLY LOOKED AT THE C&D PORTION OF THE BOARD'S WEB SITE, AND IT LOOKED GREAT. THAT'S ONE OF THE TOOLS WE'RE ROLLING OUT AS PART OF OUR TECHNICAL ASSISTANCE PARTNERSHIP WITH LOCAL GOVERNMENT: WHAT CAN WE BRING TO BEAR IN SAN BERNARDINO COUNTY AND ELSEWHERE IN THIS CONSTRUCTION AND DEMOLITION DIVERSION IN MARKET DEVELOPMENT EFFORT.

THAT CONCLUDES MY REPORT. THANK YOU.

CHAIRMAN PENNINGTON: THANK YOU, MR. RELIS. NOW WE'LL HEAR FROM THE POLICY, RESEARCH, AND TECHNICAL ASSISTANCE COMMITTEE CHAIRED BY MR. JONES.

BOARD MEMBER JONES: THANK YOU, MR. CHAIRMAN. THE POLICY COMMITTEE MEETING MET ON APRIL 8TH. WE HEARD THREE ITEMS. THE FIRST ITEM THAT WE HEARD WAS AN ORAL PRESENTATION ON THE STATUS OF THE FUNDING ALLOCATIONS REGARDING ALTERNATIVE FUELS, ENERGY SUPPLEMENTS. IT LOOKS

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23 LIKE THE BIOMASS INDUSTRY AND MELP ARE GOING TO

BE

24 IN THAT FIRST RANKING, ALTHOUGH THIS IS A

PRETTY

25 FLUID PROCESS AT THIS POINT.

OUR INTEREST WAS ALSO IN LANDFILL GAS AND WHAT THE -- HOW THAT IS GOING TO BE TREATED BECAUSE WE -- IT'S OBVIOUS TO US THAT THERE IS A HUGE BENEFIT TO THE INDUSTRY AND TO TRYING TO GET THESE PROJECTS DONE. AND WITHOUT ANY KIND OF SUBSIDY IN THAT REGARD, WE MAY END UP SEEING SOME PROBLEMS. SO WE'VE INSTRUCTED STAFF TO COME BACK ON A REGULAR BASIS AND GIVE US UPDATES AS TO HOW THIS THING IS GOING TO SHAKE OUT.

WE HAD TWO ITEMS THAT WE HAD TO TAKE ACTION ON. ONE WAS THE REALLOCATION OF AVAILABLE FUNDS FOR THE 1996/97 TIRE MONEY. TWO ITEMS THAT NEED TO BE DISCUSSED IN FRONT OF THE BOARD TODAY THAT THE COMMITTEE DIDN'T TAKE ACTION ON -- OR WE TOOK ACTION, BUT WE SAID WE NEEDED TO DISCUSS IT IN FRONT OF THE BOARD WITH EVERYTHING ELSE, WAS THE $560,000 PRUDENT RESERVE AND THE 50/50 MATCHING GRANTS IN THE WRAP PROGRAM. THE COMMITTEE AGREED ON ALLOCATIONS FOR THE BOARD'S CONSIDERATION AND WHEN THAT ITEM COMES UP, I'M GOING TO BRING UP SOME -- AN AMENDED VERSION FOR THE BOARD TO CONSIDER.

BEFORE WE HEARD THE THIRD ITEM, WHICH WAS THE '97/'98 ALLOCATION OF TIRE FUNDS,

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MR. CHANDLER, OUR EXECUTIVE DIRECTOR, GAVE US A BRIEFING ON A MEETING THAT HE HAD HAD DEALING WITH THE BUDGET IN FRONT OF THE LEGISLATIVE BUDGET FOLKS. THEY INSTRUCTED THAT WE NEEDED TO ALLOCATE THE '97/'98 FUNDS BY THE END OF APRIL, SO I THINK THAT EVERYBODY NEEDS TO REALIZE THAT WE DON'T HAVE THE TIME THAT WE USED TO HAVE WHEN WE WERE DEALING WITH THESE ISSUES, AND WE NEED TO COME UP WITH A CLEAR AND DIRECT PROGRAM AND PLAN OUT OF THIS MEETING.

THE COMMITTEE WORKED THROUGH THE PROGRAM REQUEST AND VOTED UNANIMOUSLY ON THE ALLOCATIONS OF DISCRETIONARY FUNDS, '97/'98. AND THOSE WILL BE IN FRONT OF THE BOARD TODAY FOR CONSIDERATION AND AMENDMENTS.

THANK YOU, MR. CHAIRMAN.

CHAIRMAN PENNINGTON: THANK YOU, MR. JONES.

AND THE FINAL COMMITTEE MEETING IS ADMINISTRATION COMMITTEE, WHICH I CHAIR. THE ADMINISTRATION COMMITTEE MET ON APRIL THE 8TH AND HEARD ONE ITEM: THE CONSIDERATION OF THE CONTRACT CONCEPTS FOR ADMINISTRATION OF PORTIONS OF THE RECYCLING MARKET DEVELOPMENT ZONE LOAN PROGRAM. THE STAFF PRESENTED A COMPREHENSIVE PLAN FOR

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CONTRACT CONCEPTS THAT COVERS FISCAL YEAR '96/'97 AND '97/'98. THESE CONTRACT CONCEPTS INCLUDE LOAN CLOSING, LOAN SERVICING, PROFESSIONAL SERVICES FOR DEFAULT AND FORECLOSURE ACTIVITIES, FINANCIAL CONSULTATION FOR LOAN PACKAGING, PARTICIPATION IN THE CALCAP PROGRAM, BUSINESS OUTREACH, AND STUDENT ASSISTANCE FOR IT.

THE ADMINISTRATION COMMITTEE APPROVED THE CONCEPTS FOR THE 1996/97 FISCAL YEAR FOR A TOTAL OF 675,000. THIS ITEM IS ON THE CONSENT CALENDAR, WHICH WE WILL MOVE TO. NOW THE EXECUTIVE DIRECTOR'S REPORT.

MR. CHANDLER: THANK YOU, MR. CHAIRMAN. GOOD MORNING, MEMBERS. I KNOW IT'S BEEN A BIT OF A LONG MORNING FOR COMMITTEE UPDATES; BUT IF YOU'LL BEAR WITH ME, I DO HAVE A NUMBER OF ITEMS. I WILL TRY TO BE BRIEF, BUT I HAVE SOME SIGNIFICANT INFORMATION. I KNOW WITH THE TRAVEL WEEK A BIT, I HAVEN'T HAD A CHANCE TO SIT DOWN WITH ALL OF YOU AND UPDATE YOU ON A COUPLE OF SIGNIFICANT LEGISLATIVE HEARINGS THAT I ATTENDED THIS WEEK, SO I WOULD LIKE TO TOUCH ON THOSE.

BEFORE I DO THAT, I THINK IT'S IMPORTANT THAT I BRING YOU UP TO DATE ON OUR EFFORTS TO RESOLVE THE DIFFERENCES BETWEEN LOS

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ANGELES COUNTY AND OURSELVES OVER THE BASE-YEAR AND DISPOSAL MEASUREMENT INACCURACIES.

AS YOU RECALL, THE BOARD DIRECTED STAFF AT YOUR MARCH 26TH MEETING TO MEET WITH THE COUNTY AND OTHER INTERESTED PARTIES ON THIS IMPORTANT ISSUE. BOARD STAFF HAS SO FAR ATTENDED THREE MEETINGS REGARDING THE ISSUE. ON APRIL 10TH, IN SOUTHERN CALIFORNIA, THE STAFF MET WITH EAST AND WEST SAN GABRIEL VALLEY CITIES, LOS ANGELES COUNTY, AND LOS ANGELES SANITATION DISTRICT. ON THE 11TH, IN NEWPORT BEACH, STAFF MET WITH REPRESENTATIVES OF THE CALIFORNIA REFUSE REMOVAL COUNCIL, PRIVATE CONSULTANTS, AND THE LOS ANGELES SANITATION DISTRICT. ON THE 18TH OF APRIL, IN SACRAMENTO, STAFF MET WITH REPRESENTATIVES OF THE SOLID WASTE ASSOCIATION OF NORTH AMERICA.

AT EACH OF THE MEETINGS, STAFF FIRST LISTENED TO THE CONCERNS REGARDING THE MEASUREMENT INACCURACIES AGENDA ITEM, EXPLAINED THE PURPOSE OF THE MARCH AGENDA ITEM, AND EMPHASIZED TO EVERYONE THAT THE PROCESS FOR RESOLVING INACCURACIES WILL BE OPEN AND ONGOING. SOME OF THE POINTS WE MADE WERE, FIRST, THE BASIS FOR WHAT WAS CONSIDERED ACCEPTABLE AND UNACCEPTABLE REVISION METHODS, THAT

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THE BOARD APPROVED AGENDA ITEM IS A STARTING POINT FOR HOW STAFF IS TO REVIEW THE UPCOMING ANNUAL REPORTS; THAT IMMEDIATE REVIEW OF ANNUAL REPORTS RECEIVED LAST AUGUST IS CRITICAL SO THOSE JURISDICTIONS MAY KNOW THEIR STATUS; THAT ANY POTENTIAL SOLUTION DEEMED UNACCEPTABLE AT THIS TIME COULD BE CHANGED BASED ON ADEQUATE JUSTIFICATION; THAT BOARD STAFF WOULD WELCOME ANY NEW AND CREATIVE SOLUTIONS; THAT BOARD STAFF WILL CONTINUE TO MEET WITH INTERESTED PARTIES REGARDING THE ISSUE.

STAFF ALSO SOLICITED POTENTIAL SOLUTIONS AND SUGGESTIONS, THAT ALL THE INTERESTED PARTIES CONTINUE TO WORK TOGETHER. ADDITIONAL MEETINGS ARE BEING DEVELOPED THAT WILL FOCUS ON SPECIFIC SOLUTIONS. AND I KNOW DEPUTY DIRECTOR FRIEDMAN WILL CONTINUE TO KEEP YOU POSTED IN HER COMMITTEE REPORTS ON THE PROGRESS WE'RE MAKING THERE.

THE SECOND AREA THAT I WOULD LIKE TO SPEAK TO THIS MORNING HAS TO DO WITH THE FIRST COMMITTEE HEARING I ATTENDED THIS WEEKEND. THAT WAS THE POLICY COMMITTEE OF THE ASSEMBLY NATURAL RESOURCES. IT WAS A LONG DAY IN THAT THIS WAS

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THE
25 LAST POLICY COMMITTEE FOR MANY OF THE COMMITTEES

1 IN THE CAPITOL THIS WEEK. AND AT APPROXIMATELY
2 ABOUT 8:15 THAT EVENING THE BILL -- ASSEMBLY BILL
3 375 BY ASSEMBLYMAN BROOK FIRESTONE CAME FORWARD
4 AND WAS PRESENTED TO THE COMMITTEE.
5 SHORTLY AFTER THE AUTHOR'S
6 INTRODUCTION, I WAS ASKED TO COME FORWARD TO
7 PROVIDE SOME TECHNICAL INFORMATION. I MADE IT
8 CLEAR THE BOARD HAS NOT YET RECOMMENDED A
POSITION
9 TO THE ADMINISTRATION, BUT SERVED TO ANSWER
10 QUESTIONS FROM THE COMMITTEE. I THINK IT'S
11 IMPORTANT TO NOTE THAT A COUPLE OF MODIFICATIONS
12 WERE ACCEPTED BY THE AUTHOR, PRIMARILY IN ORDER
TO
13 GET THE BILL OUT OF COMMITTEE, AND THE FIRST HAD
14 TO DO WITH THE EXEMPTION.
15 IF YOU RECALL, THE LAST YEAR THE
16 CEMENT INDUSTRY CARRIED A BILL THAT WOULD PROVIDE
17 AN EXEMPTION FROM OUR PERMITTING REQUIREMENTS IF
18 YOU STOCKPILE TIRES FOR USE AND USE APPLICATION.
19 MR. FIRESTONE ATTEMPTED TO CARRY THAT EXEMPTION
20 BEYOND THE CEMENT INDUSTRY FOR OTHER END USERS OF
21 TIRES. THAT EXEMPTION WAS DEEMED INAPPROPRIATE
BY
22 THE COMMITTEE AND WAS ASKED TO BE REMOVED FROM

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THE

23 BILL. HE ACCEPTED THAT AMENDMENT.

24 THE SECOND HAD TO DO WITH THE TIRE
25 REBATE. AS YOU KNOW, THE PROPOSAL RIGHT NOW IS

THAT THE -- OUR TIRE FEE WOULD DOUBLE, FROM 25 CENTS TO 50 CENTS. AND MR. FIRESTONE'S BILL, AS INTRODUCED, HAS A TWO-TIER REBATE SYSTEM, THE 40-CENT AND THE 25-CENT SYSTEM. IT WAS SUGGESTED THAT THAT WAS NOT WORKABLE. I WON'T GET INTO ALL THE DISCUSSIONS AROUND THAT, BUT THE OUTCOME WAS TO ESSENTIALLY MODIFY THE REBATE TO 32 CENTS A TIRE. AND THAT AMENDMENT WAS ALSO ACCEPTED. SO AT A QUARTER TO NINE THAT EVENING HE GOT HIS BILL OUT, 70, AND WE'LL CONTINUE TO WATCH THE BILL AS IT PROGRESSES AND CONTINUE TO SERVE AS A TECHNICAL RESOURCE FOR THE AUTHOR'S OFFICE.

I ALSO WANT TO BRIEF YOU ON YESTERDAY'S BUDGET HEARING BEFORE OUR SUBCOMMITTEE IN THE SENATE. I WANT TO SAY, ON BALANCE, IT WAS AN EXCELLENT HEARING. THE BOARD WAS COMPLIMENTED FOR ITS PROGRESS. I HAVE TO SAY IT WAS A BIT OF A POLICY OVERVIEW AS WELL AS A FISCAL OVERVIEW AND I WAS ASKED SEVERAL QUESTIONS. AND I THOUGHT IT WOULD BE APPROPRIATE IF I JUST QUICKLY JUST RAN DOWN A COUPLE AREAS THAT COMMITTEE MEMBERS WERE INTERESTED TO HEAR FROM ME ON AS IT RELATED TO OUR EFFORTS IN REACHING OUR 50-PERCENT GOALS.

THE FIRST HAD TO DO WITH OUR EFFORTS IN DEALING WITH OUR LOCAL ENFORCEMENT AGENCIES'

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AIR DISTRICTS IN DEALING WITH ODOR COMPLAINTS AT COMPOSTING FACILITIES. I SPOKE A LITTLE BIT ABOUT OUR LEA ADVISORS AND THE TRAINING WE'RE PROVIDING IN THAT AREA.

USE OF ADC. WE'VE HEARD SOME DISCUSSION ABOUT ADC AND ITS USE AND APPLICATIONS AT LANDFILLS FOR DIVERSION CREDIT. WE WERE ASKED TO, WHEN WE'RE BASICALLY BUDGET CONTROLLING, WHICH WAS PUT FORWARD AT THIS BOARD, REPORT ANNUALLY ON THE AMOUNT OF ADC THAT IS BEING USED BY JURIS-DICTION AND WHAT PERCENTAGE OF THAT ADC IS GOING TOWARDS THE 50-PERCENT CREDIT. AND I DID PROVIDE THEM SOME STATEWIDE NUMBERS, NOT ONLY FOR GREEN WASTE, BUT FOR OTHER FORMS OF ALTERNATIVE DAILY COVER, AS WE HAVE THEM AGGREGATED AT THIS TIME.

SUBTITLE D COMPLIANCE WAS ASKED, HOW MANY FACILITIES ARE MOVING TOWARDS SUBTITLE D COMPLIANCE. OF COURSE, I MENTIONED THAT HAVING BEEN IN EFFECT SINCE 1993 WE'RE REALLY SEEING A SUCCESS STORY. I THINK SUPERVISOR EAVES' COMMENTS THIS MORNING WERE A GOOD REPRESENTATION OF THAT, WHERE THIS HOST JURISDICTION AT ONE TIME WITH SEVENTEEN ACTIVE LANDFILLS IS NOW MOVING TOWARDS FIVE. THE WHOLE CONCEPT OF REGIONALIZATION, BRINGING OLDER, UNLINED FACILITIES INTO COMPLIANCE

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WITH NEW FACILITIES IS A SUCCESS STORY AND I WAS ABLE TO REPORT ON THAT. NOT JUST FOR THE STATEWIDE AREA, BUT WITH SOME LOCAL JURISDICTION SPECIFICS AS WELL.

THEY ASKED ABOUT THE FUTURE DIRECTION OF THE BOARD AS IT RELATES TO WHERE WE'RE HEADING IN THE AREA OF MARKET DEVELOPING AND IN DIVERSION PLANNING. I EMPHASIZED THE IMPORTANCE THAT THE BOARD SEES AROUND INTEGRATING THE EFFORTS OF OUR DIVERSION PROGRAMS INTO LONG-TERM SUSTAINABLE MARKETS AND REFERENCED OUR MARKET DEVELOPMENT PLAN AS A GUIDING DOCUMENT RELATIVE TO THE PRIORITY MATERIALS WE'RE LOOKING AT AND WHAT WE'RE HOPING TO SEE CAPACITY BE BY THE YEAR 2000, AND WHERE DIVERSION IS WITH COMPOST, FIBER AND, OF COURSE, C&D WASTE.

NEXT, THE ISSUE OF THE RESERVE CAME FORWARD. I THINK WE'RE VERY SUCCESSFUL THERE. AS YOU KNOW, WE'RE PROPOSING A VERY MODEST RESERVE FOR THE BUDGET YEAR. THE OUTCOME OF THAT WAS TO ADJUST OUR ADMINISTRATIVE CAPS WITH JUSTIFICATION APPROVED BY THE DEPARTMENT OF FINANCE FOR BOTH OIL AND TIRE. THAT WOULD TAKE SOME OF THE PRESSURE OFF THE INTEGRATED WASTE MANAGEMENT ACCOUNT. I WAS PLEASED TO SEE THAT MOVE FORWARD.

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AS MEMBER JONES JUST REFERENCED, THEY CONTINUE TO WAIT FOR THIS BOARD'S ACTION ON TIRE ALLOCATIONS. THEY DID NOT TAKE ANY ACTIONS ON THE NEGATIVE -- EXCUSE ME -- ON THE BCP FOR THE ADDITIONAL $5.4 MILLION OF TIRE FUNDS AWAITING THIS BOARD'S ACTION TODAY.

ON BALANCE, AGAIN, THE BOARD WAS COMPLIMENTED. I THINK WE DID VERY WELL. I WANT TO THANK MY DEPUTY DIRECTORS, MARIE LAVERGNE, PATTY ZWARTS, DOROTHY RICE, CAREN TRGOVCICH, AND JUDY FRIEDMAN FOR SOME EXCELLENT WORK. IT CLEARLY HAS TO BE ACKNOWLEDGED THAT THE STAFF OF THE LEGISLATIVE MEMBERS' OFFICE, ANNE SO, BOB FREDENBERG, PLAYED A CRITICAL ROLE IN KEEPING THE COMMITTEE STAFF APPRISED OF THE PROGRESS OF OUR EFFORTS. AND I CERTAINLY WANT TO ACKNOWLEDGE THEM FOR THE COORDINATION AND EFFORT THAT THEY DID BECAUSE IT WAS CLEAR TO ME THAT THOSE OFFICES WERE WELL BRIEFED AND WELL UNDERSTOOD WHERE THE BOARD WAS HEADED.

THE LAST AREA I THOUGHT I SHOULD JUST BRIEFLY MENTION, YOU MAY RECALL LAST YEAR I WAS ASKED TO SERVE ON THE -- AS A MEMBER OF AN OVERSIGHT COMMITTEE TO LOOK AT REFORMS TO THE BOTTLE BILL. YESTERDAY AFTERNOON THE DEPARTMENT

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OF CONSERVATION IN THE ADMINISTRATION JUST RELEASED THAT REPORT. AND WHILE IT OBVIOUSLY IS JUST A SERIES OF RECOMMENDATIONS, I THOUGHT YOU ALL SHOULD KNOW THAT THE REPORT SPEAKS SPECIFICALLY TO THIS BOARD IN A COUPLE OF AREAS. I WILL JUST READ A COUPLE OF BRIEF SENTENCES FROM THE REPORT AS THEY PROPOSE AN ALTERNATIVE TO THE CORE BOTTLE BILL PROGRAM. AND I WON'T GET INTO THAT, BUT I WILL SAY THAT THEY ADDRESS AREAS OF OVERLAP AND DUPLICATION WITH THE CIWMB WILL BE TURNED OVER TO THE CIWMB. IN PARTICULAR, EDUCATION AND OUTREACH, MARKET DEVELOPMENT, HOTLINE SERVICES, GRANTS, CONTRACTS, AND LOCAL TECHNICAL ASSISTANCE.

IN ADDITION, THE GLASS AND FIBERGLASS MINIMUM CONTENT PROGRAMS AND CURBSIDE PROGRAMS WOULD ALSO BE TRANSFERRED TO THE BOARD. AS YOU KNOW, I SERVED AS A REPRESENTATIVE WITH THE GOVERNOR'S OFFICE, THE RESOURCES AGENCY, AND TRADE AND COMMERCE ON THIS REPORT. AND WHILE IT'S JUST A PROPOSED REPORT, I THINK IT WAS PREPARED BY A PRETTY ESTEEMED SET OF CONSULTANTS: LYNN SCARLETT, WITH THE REISEN FOUNDATION; BILL CHARMAN OF GLOBAL FUTURES; AND JIM GIBSON, PH.D., WITH NEWPOINT GROUP.

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AND AS I SAID, THIS WAS THE SUBJECT OF SOME DISCUSSIONS MONDAY NIGHT IN A SIMPLY NATURAL RESOURCE, AND I THINK IT SERVES AS THE BLUEPRINT THAT AT LEAST THE ADMINISTRATION WILL BE LOOKING AT FOR REFORMS ON THAT SIGNIFICANT RECYCLING PROGRAM. SO WITH THAT UPDATE, MEMBERS, I APPRECIATE YOUR PATIENCE AND THANK YOU.

CHAIRMAN PENNINGTON: THANK YOU. ANY QUESTIONS?

BOARD MEMBER RELIS: MR. CHAIRMAN, COULD I ASK MR. CHANDLER TO REPEAT? I'M NOT SURE I HEARD ALL THOSE PROPOSALS.

MR. CHANDLER: I'M NOT GOING TO SPEAK TO THE CORE PROGRAM THAT IS BEING -- THEY HAVE TO DO WITH PROCESSING FEES AND THE LIKE. WITH RESPECT TO AREAS THAT IT WAS RECOGNIZED IN THE PROGRAM -- A LOT OF THE UNREDEEMED FUNDS GO TO OTHER EFFORTS THE DEPARTMENT OF CONSERVATION OVERSEES. MOST OF THOSE AREAS ARE NOW BEING RECOMMENDED TO BE TRANSFERRED TO THE BOARD. THEY ARE, AGAIN, IN PARTICULAR, EDUCATION AND OUTREACH, MARKET DEVELOPMENT, HOTLINE SERVICES, GRANTS AND CONTRACTS, AND LOCAL TECHNICAL ASSISTANCE, INCLUDING THE MINIMUM CONTENT PROGRAMS FOR GLASS AND FIBERGLASS. CURBSIDE WOULD ALSO BE

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TRANSFERRED TO THE BOARD. IT'S A PROPOSAL, BUT I DIDN'T WANT YOU TO BE SURPRISED TO HEAR THERE IS NOW DISCUSSION ON THE STREET, IF YOU WILL, ABOUT HOW THE BOARD MAY BE LOOKED TO TO INCORPORATE SOME OF THOSE EFFORTS.

CHAIRMAN PENNINGTON: WHAT WOULD BE THE NEXT STEP?

MR. CHANDLER: WELL, I'M SURE THAT THE ADMINISTRATION IS GOING TO LOOK AT THE FRAMEWORK HERE AND DECIDE IF THEY WANT TO FIND PROBABLY A SPOT BILL TO BEGIN INTRODUCING SOME PROPOSED CHANGES TO THE PROGRAM, WHICH THEY MAINTAIN WAS NEEDING A MORE MARKET-BASED FIX FOR HOW WE CAN IMPROVE THE BOTTLE BILL RECYCLING EFFORTS. I THINK BEFORE YOU PASS JUDGMENT ONE WAY OR ANOTHER OR WHETHER THAT'S EVER GOING TO HAPPEN, IT WOULD BE APPROPRIATE TO TAKE A QUICK READ OF THIS REPORT BECAUSE I THINK THERE IS A LOT YOU SEE THAT PRESERVES THE EXISTING PROGRAM. IT'S NOT A WHOLESALE DEPARTURE FROM THE FRAMEWORK THAT IS IN PLACE NOW, BUT IT DOES PROPOSE SOME STREAMLINING THAT WAS THE OBJECTIVE OF THE EFFORT.

CHAIRMAN PENNINGTON: INCLUDE FUNDING?

MR. CHANDLER: THAT IS NOT SPOKEN TO

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AND
25 I WOULD LEAVE THAT TO OUR GOOD NEGOTIATIONS,

MR. CHAIRMAN, ON HOW WE'LL LOOK AT THAT ISSUE.

CHAIRMAN PENNINGTON: THANK YOU. ANY OTHER QUESTIONS OF MR. CHANDLER? IF NOT, WE'LL MOVE TO THE CONSENT CALENDAR.

CONSENT CALENDAR INCLUDES ITEMS 5, 6E, 7 THROUGH 17, 24, 25, AND 27. ANY MEMBER WHO WISHES TO PULL ANYTHING FROM THE CONSENT CALENDAR?

BOARD MEMBER FRAZEE: IF NOT, I MOVE ADOPTION OF THE CONSENT CALENDAR.

MR. CHESBRO: SECOND.

CHAIRMAN PENNINGTON: IT'S BEEN MOVED AND SECONDED TO ADOPT THE CONSENT CALENDAR. WOULD THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: AYE. MOTION

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CARRIES.

NOW WE'LL MOVE TO ITEM NO. 6.

PATTY ZWARTS.

MS. ZWARTS: I'M PATTY ZWARTS WITH THE OFFICE OF LEGISLATIVE AND REGULATORY AFFAIRS. I'M HERE TO PRESENT ITEM NO. 6.

WE HAVE FIVE BILLS BEFORE YOU TODAY, AS RALPH CHANDLER JUST CONCLUDED. THE LEGISLATURE IS IN FULL SWING. THEY HAVE CONCLUDED THEIR HEARINGS ON THE ASSEMBLY SIDE THIS WEEK ON BILLS WITH FISCALS. THE SENATE ENVIRONMENTAL QUALITY COMMITTEE STILL HAS ANOTHER HEARING IN TWO WEEKS ON THOSE BILLS. WE HAVE CONCLUDED, AS YOU HEARD, OUR BUDGET SUBCOMMITTEE HEARINGS WITH A FEW ITEMS LEFT OPEN FOR -- AS OPEN ITEMS AND OTHERS THAT WILL GO STILL TO CONFERENCE COMMITTEE. AND WE'LL KEEP YOU UPDATED ON THOSE AS ITEMS PROGRESS.

I THOUGHT I WOULD DIVE STRAIGHT INTO THE FIVE BILLS THAT ARE BEFORE YOU FOR CONSIDERATION TODAY. THE FIRST ONE IS AB 84 BY ASSEMBLYMEMBER WOODS. THIS BILL IS SPONSORED BY THE CALIFORNIA RICE INDUSTRY ASSOCIATION AND RICE PRODUCERS ASSOCIATION. THIS BILL WOULD CREATE A PILOT PROGRAM AT THE BOARD TO PROVIDE PRICE PREFERENCES FOR STATE PURCHASES OF MATERIALS

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PRODUCED BY AGRICULTURAL CROPPING MATERIALS. THIS BILL IS PRESENTLY IN ASSEMBLY APPROPRIATION COMMITTEE, THE HEARING DATE NOT QUITE SET YET.

THE LPEC REVIEWED THIS BILL AND HAD A RECOMMENDATION OF SUPPORT, IF AMENDED. AND THE AMENDMENTS ARE THE AMENDMENTS -- TECHNICAL AMENDMENTS IN THE ANALYSIS. AND THE BILL DOES IMPOSE A FISCAL. AND I WOULD BE HAPPY TO ANSWER ANY QUESTIONS ABOUT THE MEASURE.

CHAIRMAN PENNINGTON: ANY QUESTIONS OF MS. ZWARTS ON THIS LEGISLATION?

BOARD MEMBER RELIS: MR. CHAIRMAN, IN THE WAY IT'S DRAFTED NOW, THERE IS A PROVISION THAT GOES BEYOND THE STRAW AND RICE AGRICULTURAL RELATED COMPOSTING --

MS. ZWARTS: IT'S AGRICULTURAL CROP AND MATERIALS, SO THAT WOULD BE BEYOND JUST THE RICE STRAW.

BOARD MEMBER RELIS: AND WOULD THERE BE A PREFERENCE THEN IN THE BILL, IF IT'S ENACTED, FOR THOSE MATERIALS?

MS. ZWARTS: INDEED, IT'S A RANGE OF COMMODITIES THAT ARE LISTED FROM CONSTRUCTION MATERIALS TO COMPOST TO PAPER PRODUCTS, INSULATION. THERE'S A NUMBER OF COMMODITIES THAT

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COULD QUALIFY FOR A PRICE PREFERENCE AS AG CROPPING MATERIAL.

BOARD MEMBER RELIS: I KNOW THERE'S BEEN SOME DISCUSSION JUST IN TERMS OF IF ENACTED, THE WAY IT'S CURRENTLY WRITTEN, WOULD IT IN ANY WAY INHIBIT OUR DIVERSION EFFORTS SINCE WE HAVE TWO WASTESTREAMS COMING INTO FOCUS, THE URBAN WASTESTREAM AND THE AGRICULTURAL STREAM? WE HAVE NOT TRADITIONALLY BEEN INVOLVED IN THE AGRICULTURAL STREAM, AND WE'RE TRYING TO PROMOTE URBAN-RELATED COMPOSTING AND OTHER PROGRAMS LIKE THAT. WOULD THEY BE AT A DISADVANTAGE UNDER THIS BILL?

MS. ZWARTS: I'M NOT SURE IF IT WOULD INHIBIT, BUT IT IS A PRECEDENT. AG MATERIAL IS .2 PERCENT OF THE WASTE MATERIAL THAT GOES TO LANDFILLS NOW. IT'S A VERY TINY PORTION THAT GOES TO LANDFILLS. AS FOR PRECEDENT, STAFF HAVE, IN THE ANALYSIS, MENTIONED THAT YOU WOULD NOW GIVE A PRICE PREFERENCE FOR STATE PURCHASES OF AG CROPPING MATERIALS OVER, FOR EXAMPLE, GREEN WASTE GENERATED COMPOST OR RECYCLED PAPER. POST CONSUMER PAPER PRODUCTS, AS AN EXAMPLE.

BOARD MEMBER FRAZEE: MR. CHAIRMAN.

CHAIRMAN PENNINGTON: JUST A MINUTE.

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BOARD MEMBER CHESBRO: CALIFORNIANS AGAINST WASTE WAS PRESENT AND TESTIFIED IN FAVOR OF THE BILL AT THE COMMITTEE, AND I ASKED THEM SOME OF THESE QUESTIONS AND THEY SEEMED REASONABLY SATISFIED. ON THE OTHER HAND, YOU KNOW, I'M NOT 100 PERCENT COMFORTABLE. I CERTAINLY THINK WE COULD PURSUE QUESTIONS OF AMENDING THE BILL TO TRY TO NARROW ITS SCOPE TO WHERE IT'S MOST NEEDED, WHICH IS AGRICULTURAL MATERIALS SUCH AS THESE, SUCH AS THE RICE STRAW, AS OPPOSED TO, YOU KNOW, ALL AGRICULTURAL CROP MATERIAL THAT IS COMPOSTED GETTING A PREFERENCE, YOU KNOW. SO I'M VERY OPEN TO THAT. ON THE OTHER HAND, I THINK THERE'S SOME ASSURANCE IN THE FACT THAT CAW HAD EXAMINED IT AND WAS NOT WORRIED ABOUT ITS THREAT TO MARKETS FOR URBAN OR NONAGRICULTURAL WASTE GENERATION.

CHAIRMAN PENNINGTON: OKAY. THANK YOU. MR. FRAZEE.

BOARD MEMBER FRAZEE: I HAD ORIGINALLY OPPOSED THIS BILL BASED ON TWO THINGS, ON THE COST EFFECT TO OUR BUDGET, AND THE CONCERN HAS BEEN EXPRESSED BY OTHER MEMBERS, AND THAT'S THE -- GOING BEYOND RICE HULLS. AND I AM PREPARED TO MAKE A MOTION ON -- THAT ADDRESSES THOSE TWO ISSUES.

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CHAIRMAN PENNINGTON: OKAY. WE DO HAVE SOMEBODY FROM THE AUDIENCE WHO WISHES TO ADDRESS THIS IF YOU WOULD LIKE TO HEAR FROM THEM FIRST.

BOARD MEMBER FRAZEE: YOU WANT TO HEAR FROM THEM FIRST?

CHAIRMAN PENNINGTON: MR. EVAN EDGAR.

MR. EDGAR: GOOD MORNING. MY NAME IS EVAN EDGAR. I'M THE MANAGER OF REGULATORY AFFAIRS FOR THE CALIFORNIA REFUSE REMOVAL COUNCIL, REPRESENTING THE PRIVATE INDEPENDENT WASTE HAULERS AND COMPOSTERS.

WE SPOKE TO THE AUTHOR'S OFFICE, ASSEMBLYMAN WOODS. THERE WAS A COMMITMENT BY WOODS TO REMOVE THE COMPOST FROM THE BILL. WE HAD ORIGINALLY SUPPORTED THIS BILL; BUT ONCE WE SAW THE COMPOST WAS ADDED TO IT, IT WAS POINTED OUT BY MS. PATTY ZWARTS, WE CONTACTED THE AUTHOR'S OFFICE AND THERE WAS A COMMITMENT TO AMEND THE BILL TO REMOVE COMPOST BECAUSE WE FEEL IT WOULD HAVE SOME TYPE OF PREFERENCE ADVANTAGE TO AG COMPOST, WHICH HAS AG MARKETS RIGHT NEXT DOOR.

AND THE WHOLE INTENT WAS TO MOVE CLEAN AND GREEN INTO THE AG MARKETPLACE, SO WE FELT THERE COULD BE SOME IMPACTS. SO WE TALKED TO THE AUTHOR'S OFFICE AND HE COMMITTED TO REMOVE

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THAT LANGUAGE. WE WOULD HAVE ORIGINALLY SUPPORTED THIS BILL AND WILL CONTINUE TO SUPPORT IT IF AMENDED. THANK YOU.

CHAIRMAN PENNINGTON: THANK YOU. ANY QUESTIONS OF MR. EDGAR?

COULD I JUST ASK A COUPLE QUESTIONS?

BOARD MEMBER FRAZEE: SURE.

CHAIRMAN PENNINGTON: IS THERE A FISCAL IMPACT TO US?

MS. ZWARTS: YES, THERE IS. $300,000, $100,000 A YEAR OUT OF THE IWMA.

CHAIRMAN PENNINGTON: DOES IT PRETTY MUCH FOLLOW THE BUSTAMONTE BILL OF LAST YEAR?

MS. ZWARTS: I BELIEVE THE BUSTAMONTE BILL, I REFER TO IT AS A STUDY, THERE IS AN ARGUMENT MADE THAT THIS COULD BE PREMATURE, THAT LAST YEAR'S BILL WAS ENACTED, ASKING THE BOARD SPECIFICALLY TO DO A STUDY AND MARKET INCENTIVES FOR BOTH WOOD WASTE MATERIALS AND AGRICULTURAL CROPPING MATERIALS. SO AS A RESULT OF THE REPORT, WE COULD HAVE SOME RECOMMENDATIONS TO THE LEGISLATURE IN HOW THEY COULD HELP BOTH INDUSTRIES WITH THEIR MARKETS. YOU COULD ARGUE THAT THIS BILL MIGHT BE PREMATURE.

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25 CHAIRMAN PENNINGTON: THANK YOU.

MR. FRAZEE?

BOARD MEMBER FRAZEE: YES. I WOULD MOVE THAT WE SUPPORT AB 84 IF AMENDED; AND WHEN THE FOLLOWING AMENDMENTS, THE TECHNICAL AMENDMENTS SUGGESTED ON THE LAST PAGE OF THE ANALYSIS TO NARROW THE SCOPE OF THE BILL TO RICE STRAW AND RICE HULLS ONLY, TO EXTEND THE PILOT PROGRAM FROM THREE TO FIVE YEARS AND REDUCE THE PREFERENCE AMOUNT TO $50,000 PER YEAR.

BOARD MEMBER CHESBRO: I WILL SECOND THAT.

CHAIRMAN PENNINGTON: OKAY.

BOARD MEMBER CHESBRO: MR. CHAIRMAN -- I JUMPED IN TOO SOON THERE. DOES THAT INCLUDE THE AMENDMENT THAT CRRC WAS REFERRING TO?

CHAIRMAN PENNINGTON: WELL, I THINK THAT'S THE SAME. HE INDICATED THE AUTHOR WAS WILLING TO REDUCE THE SCOPE OF THE BILL TO THE RICE.

BOARD MEMBER CHESBRO: BUT HE ALSO TALKED ABOUT THE QUESTION OF COMPOST -- I GUESS COMPOST DOES. OKAY. THAT TAKES CARE OF IT.

CHAIRMAN PENNINGTON: THAT PRESUMES TO TAKE IT ALL OUT.

BOARD MEMBER CHESBRO: OKAY.

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BOARD MEMBER FRAZEE: REDUCE IT TO RICE STRAW AND RICE HULLS ONLY.

BOARD MEMBER GOTCH: MR. CHAIR, MAY I MAKE A QUICK COMMENT?

CHAIRMAN PENNINGTON: MRS. GOTCH.

BOARD MEMBER GOTCH: AND THAT IS THAT ON OUR AGENDA, THREE BILLS DEAL WITH THE CHANGING LAW IN THE TIRE RECYCLE AREA, AND I WOULD LIKE TO SUGGEST THAT THE MARKETS COMMITTEE SET UP AN ITEM FOR JUNE THAT REVIEWS THE STATUS OF THAT PROGRAM WITH DGS PARTICIPATION IN THE COMMITTEE MEETING. THERE MAY BE A NEED TO REVAMP THE PROGRAM IN GENERAL RATHER THAN DICTATE IT PIECEMEAL WITH ALL THE DIFFERENT LEGISLATION. SO THIS IS NOT PART OF THE MOTION. THIS IS A SUGGESTION.

BOARD MEMBER RELIS: WE'LL CONSIDER IT.

CHAIRMAN PENNINGTON: IT'S BEEN MOVED AND SECONDED THAT WE SUPPORT AB 84, WOODS, LEGISLATION WITH SOME AMENDMENTS. WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

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BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: NO.

OKAY. MOVING TO THE NEXT ITEM IS AB 705. IS THAT RIGHT OR DID I SKIP SOMETHING?

MS. ZWARTS: ACTUALLY, I THINK WE SKIPPED --

CHAIRMAN PENNINGTON: AB 362?

MS. ZWARTS: YES. AB 362 BY ASSEMBLYWOMAN BOWAN. THIS BILL IS SPONSORED BY THE AUTHOR. THIS BILL DEALS WITH ENVIRONMENTAL ADVERTISING ISSUES. IT WOULD REQUIRE COMPANIES TO ADVERTISE PRODUCTS AS OZONE FRIENDLY, RECYCLED OR BIODEGRADABLE TO MEET SPECIFIC STANDARDS OR FACE THE PROSPECT OF CRIMINAL PROSECUTION.

THIS BILL IS IN ASSEMBLY APPROPRIATION COMMITTEE WITH NO HEARING DATE SET AS YET. THE LPEC, IN REVIEWING THE MEASURE, RECOMMENDS THAT WE SUPPORT IT WITH AMENDMENTS, AND THE AMENDMENTS ARE THE MINOR TECHNICAL AMENDMENTS MENTIONED IN THE ANALYSIS. THERE IS NO COST TO

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THIS BILL. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

CHAIRMAN PENNINGTON: QUESTIONS OF MS. `ZWARTS? OKAY.

BOARD MEMBER FRAZEE: STATEMENT, IF I COULD, MR.'CHAIRMAN. I WAS THE DISSENTING VOTE ON THIS BILL. THE COMMITTEE HEARD EXTENSIVE TESTIMONY FROM INDUSTRY REPRESENTATIVES WHO CONVINCED THIS MEMBER, ANYWAY, THAT THE FEDERAL TRADE COMMISSION GUIDELINES ARE ADEQUATE, THAT THE UNIFORMITY OF THESE STANDARDS SHOULD BE NATIONWIDE RATHER THAN PICKED OFF INDIVIDUALLY BY THE STATE OF CALIFORNIA TO CREATE, IF YOU WILL, A CALIFORNIA CAR OR A CALIFORNIA PACKAGING, CALIFORNIA LABELING STANDARD THAT'S DIFFERENT FROM THE OTHER 49 STATES. AND FOR THAT REASON I OPPOSE THE BILL.

CHAIRMAN PENNINGTON: OKAY. ANY FURTHER DISCUSSION? IF NOT, I'LL ENTERTAIN A MOTION.

BOARD MEMBER CHESBRO: MR. CHAIR, I JUST WANTED TO SAY THAT THIS BILL IS A RATHER MODEST ATTEMPT TO ASSIST OUR EFFORTS TO EDUCATE THE PUBLIC AND BUSINESS TO BUY RECYCLED, WHICH IS A CRITICAL COMPONENT OF OUR GETTING TO 50 PERCENT. AND THE WAY THAT THAT ASSISTANCE TAKES PLACE IS TO BUILD PUBLIC CONFIDENCE, THAT WHEN THEY'RE TOLD A

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MATERIAL HAS A CERTAIN RECYCLED CONTENT OR A CERTAIN ENVIRONMENTAL ATTRIBUTE THAT, THEY CAN RELY ON THAT.

I THINK THAT THAT'S JUST AN ESSENTIAL PIECE IN OUR UNFORTUNATELY CYNICAL TIMES IN TERMS OF PUBLIC CONFIDENCE IN INFORMATION THEY'RE GIVEN. I THINK THEY NEED THAT ASSURANCE. IT'S A SHAME THAT IT'S EVEN BEEN CONTROVERSIAL OVER THE YEARS.

CHAIRMAN PENNINGTON: THANK YOU.

BOARD MEMBER GOTCH: READY FOR A MOTION?

CHAIRMAN PENNINGTON: SURE.

BOARD MEMBER GOTCH: I MOVE, AS WE DID IN COMMITTEE, SUPPORT WITH AMENDMENTS.

BOARD MEMBER JONES: SECOND.

CHAIRMAN PENNINGTON: IT'S BEEN MOVED AND SECONDED THAT WE SUPPORT AB 362 WITH AMENDMENTS. NO FURTHER DISCUSSION. I'LL HAVE THE SECRETARY CALL THE ROLL.

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: NO.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

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BOARD SECRETARY: JONES.

BOARD MEMBER JONES: NO.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: NO. MOTION FAILS.

AB 705.

MS. ZWARTS: POINT OF CLARIFICATION, WE HAVE NO POSITION ON THIS MEASURE.

THE NEXT BILL BEFORE YOU IS AB 705, ASSEMBLYWOMAN STROM-MARTIN. THIS BILL IS SPONSORED BY THE CALIFORNIANS AGAINST WASTE. THIS BILL WOULD REQUIRE STATE AGENCIES TO DEVELOP INTEGRATED WASTE MANAGEMENT PROGRAMS SIMILAR TO THOSE REQUIRED BY CITIES AND COUNTIES UNDER 939. IT ALSO MAKES SOME CHANGES TO THE PROCUREMENT LAWS BY ADDING ADDITIONAL MATERIAL TYPES TO THOSE THAT WOULD QUALIFY FOR THE GOALS AND PRICE PREFERENCE.

THIS BILL IS IN ASSEMBLY APPROPRIATIONS COMMITTEE, HEARING DATE NOT SET. IT DOES HAVE A FISCAL IMPACT ON THE BOARD. THE COMMITTEE REVIEWING IT RECOMMENDED THAT WE SUPPORT THE BILL IF AMENDED TO CONTAIN THREE SPECIFIC AMENDMENTS REGARDING DOING A WASTE GENERATION STUDY IN LIEU OF A WASTE AUDIT, IN PROVIDING A

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DEFINITION OF STATE AGENCIES, AND IN EXTENDING THE TIME LINES FOR STATE AGENCY COMPLIANCE WITH THE LAW. IT WAS A VOTE OF TWO TO ONE OF THE COMMITTEE TO SUPPORT THE BILL WITH AMENDMENTS. I'D BE HAPPY TO ANSWER ANY QUESTIONS.

CHAIRMAN PENNINGTON: QUESTIONS OF MS. `ZWARTS?

GO AHEAD.

BOARD MEMBER FRAZEE: AGAIN, MR. CHAIRMAN, I VOTED TO OPPOSE THIS BILL BASED ON TWO AREAS OF CONCERN. ONE IS THAT THERE'S SIGNIFICANT COST IN THIS ONE TO OUR BUDGET ESTIMATED TO BE $267,000 IN FISCAL YEAR '97 AND '98, OR THE EQUIVALENT OF 5.35 PERSONNEL YEARS. THAT'S A SIGNIFICANT HIT ON OUR BUDGET.

AND SECONDLY, I THINK WE'RE HAVING SOME SUCCESS WITH THESE KINDS OF PROGRAMS ALREADY WITHOUT THIS MANDATE. OUR CONTINUING TO WORK TO BRING STATE AGENCIES INTO A RECYCLING ETHIC, AND THAT CAN BE DONE BOTH CARROT AND STICK APPROACH AND ADMINISTRATIVELY, SO I OPPOSE THIS BILL.

CHAIRMAN PENNINGTON: ANY OTHER QUESTIONS OR DISCUSSION?

BOARD MEMBER GOTCH: WITH -- THE

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SPONSORS
25 HAD AGREED TO ELIMINATING THE AUDITS, WHICH WOULD

1 SIGNIFICANTLY CUT THE FISCAL IMPACT TO US, AND I
2 WANT TO REMIND MR. FRAZEE OF THAT.
3 BOARD MEMBER RELIS: DO WE HAVE AN IDEA
4 OF WHAT THAT WOULD DO MONETARILY?
5 MS. ZWARTS: I DON'T HAVE THE EXACT
6 NUMBER WITH ME. IT'S IN THE BILL FILE BACK AT
THE
7 OFFICE, BUT IT WOULD REDUCE THE FISCAL AMOUNT BY
8 DOING A WASTE GENERATION INSTEAD OF AUDITS. BUT
9 THERE ARE ALSO, HOWEVER, OTHER COSTS FOR THE
BOARD
10 TO PROVIDE TECHNICAL ASSISTANCE TO THE PROGRAMS
AS
11 WELL AS ALSO CHANGING THE PROGRAMS ON THE
PROCURE-
12 MENT SIDE OF THE PROGRAM ALSO.
13 BOARD MEMBER RELIS: HOW WOULD THAT
14 TECHNICAL ASSISTANCE DIFFER FROM WHAT WE ALREADY
15 DO WITH DGS?
16 MS. ZWARTS: I THINK IT WOULD BE HELPING
17 THEM PREPARE THE PLANS THEY ARE REQUIRED TO DO
18 UNDER THE BILL AND PROVIDE TECHNICAL ASSISTANCE
ON
19 IMPLEMENTING THE BILL'S REQUIREMENTS.
20 BOARD MEMBER CHESBRO: I WOULD ANSWER

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21 THAT BY SAYING MORE AND BETTER. I DO THINK THE

22 FISCAL IMPACT DOESN'T REALLY TAKE INTO THE

ACCOUNT

23 THE FACT THAT THIS IS ALREADY A MANDATED PROGRAM

24 AREA FOR US TO BE INVOLVED IN. RELATIVE TO
25 ASSISTING STATE AGENCIES, I THINK WHAT IT DOES IS

IT CREATES MORE OF AN IMPETUS ON THOSE STATE AGENCIES TO PARTICIPATE AND TO BE THERE. I'M NOT DENYING THERE'S SOME FISCAL IMPACT, BUT I THINK IT'S AN INCREMENTAL QUESTION, NOT A QUESTION OF A COMPLETELY NEW IMPACT.

AND THERE'S A SIGNIFICANTLY IMPORTANT SYMBOLIC REASON FOR THIS BILL, AND THAT IS IT IS EXTREMELY HYPOCRITICAL FOR THE STATE OF CALIFORNIA TO TELL LOCAL JURISDICTIONS TO ACHIEVE 50 PERCENT, ESPECIALLY THOSE JURISDICTIONS THAT ARE HOST COMMUNITIES TO UNIVERSITIES, JUNIOR COLLEGES, PRISONS, MAJOR STATE FACILITIES THAT GENERATE LARGE VOLUMES OF WASTE WITHOUT AGREEING TO BE A PARTNER WITH THEM AND WALK OR TALK AND PUT OUR MONEY WHERE OUR MOUTH IS, WHATEVER YOU WANT TO CALL IT.

TO SAY TO A LOCAL GOVERNMENT, GEE, WE'RE NOT GOING TO HAVE THIS PROGRAM BECAUSE IT'S GOING TO COST THE STATE MONEY WHEN THE STATE IS TELLING THEM TO HAVE A LOCAL PROGRAM AND IT'S DEFINITELY COSTING THEM MONEY, I THINK REALLY DAMAGES THE CREDIBILITY OF THIS BOARD, AND THE STATE IN GENERAL, TO NOT HAVE THAT LEVEL OF

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24 ACTIVITY.
25 WHILE IT'S BEEN ALLEGED THAT

STATE -- OVERALL STATE WASTE GENERATION IS A RELATIVELY SMALL PORTION OF THE ENTIRE STATE WASTESTREAM, I THINK WE NEED TO GO BACK TO THE FACT THAT AB 939 IS A MANDATE ON LOCAL GOVERNMENTS. AND THERE ARE A NUMBER OF LOCAL GOVERNMENTS AROUND THE STATE, SUCH AS THE COUNTY OF DEL MAR WHERE PELICAN BAY PRISON IS; THE CITY OF SACRAMENTO, WHERE A MASSIVE AMOUNT OF STATE GOVERNMENT EXISTS, WHERE THE IMPACT ON THE WASTESTREAM OF STATE AGENCIES IS HUGE. AND I THINK WE HAVE A RESPONSIBILITY TO THOSE JURISDICTIONS TO MAXIMIZE THE WASTE DIVERSION AND ALSO DEMONSTRATE THAT WE'RE WILLING TO COMPLY WITH WHAT WE'RE REQUIRING LOCAL GOVERNMENTS TO COMPLY WITH.

I WOULD MOVE THE COMMITTEE'S RECOMMENDATIONS.

CHAIRMAN PENNINGTON: HE'S MADE A MOTION.

BOARD MEMBER GOTCH: I SECOND THE MOTION, WHICH WAS SUPPORT IF AMENDED. I ALSO WANT TO ADD TO IT. WE HAD RECEIVED A COMMITMENT FROM THE AUTHOR'S OFFICE AND THE SPONSOR TO WORK WITH US AND OUR STAFF TO LOWER THE FISCAL IMPACT TO THE BOARD.

CHAIRMAN PENNINGTON: OKAY. MR. JONES.

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1 BOARD MEMBER JONES: I HAVE A QUESTION TO
2 PATTY. DOESN'T THE GOVERNOR HAVE AN EXECUTIVE
3 ORDER OUT THAT IS ASKING ALL THE STATE AGENCIES TO
4 COMPLY WITH -- ORDERING THEM TO RECYCLING AND TO
5 DO ALL THE THINGS WE'RE TALKING ABOUT WITHOUT THIS
6 EXPENSE?
7 MS. ZWARTS: THERE IS AN EXECUTIVE ORDER
8 IN PLACE. IT DOES ASK STATE AGENCIES TO DO
9 VARIOUS PROGRAMS AND ACTIVITIES TO ENHANCE THE
10 RECYCLING EFFORTS.
11 BOARD MEMBER JONES: AND WE'VE GOT --
12 DON'T WE PROVIDE SOME OF THAT ASSISTANCE IN DOING
13 PROGRAMS IN-HOUSE AND MAKING SURE THOSE ARE
14 FACILITATED THROUGH STATE AGENCIES?
15 MS. ZWARTS: INDEED, WE HAVE A PROGRAM IN
16 PLACE THAT DOES HELP STATE AGENCIES WITH THEIR
17 STATE RECYCLING PROGRAMS. IT'S CORRECT.
18 IF I COULD ANSWER JANET'S QUESTION
19 SHE ASKED EARLIER, THE BILL WITH THE AMENDMENTS
20 WOULD REDUCE THE FISCAL COST. I DIDN'T HAVE THE

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21 NUMBERS OFF THE TOP OF MY HEAD, BUT FROM --

22 CHANGING IT FROM A WASTE AUDIT TO WASTE

GENERATION

23 WOULD PROBABLY REDUCE THE COST BY ONE-THIRD

24 APPROXIMATELY.

25 BOARD MEMBER CHESBRO: ON THE QUESTION

OF

1 THE EXISTING PROGRAM, OUR STAFF IN ITS ANALYSIS
2 ESTIMATES THAT BY THE YEAR -- WITHIN FIVE YEARS,
3 WHICH WILL BE 2002, HALF THE STATE AGENCIES WILL
4 HAVE PAPER RECYCLING PROGRAMS, AND THAT'S
5 CONSIDERED THE UPPER LEVEL ACHIEVEMENT OF THE
6 PROGRAM. I DON'T CONSIDER THAT -- IN THE FACE OF
7 WHAT WE'RE TELLING LOCAL GOVERNMENTS TO DO, I
8 DON'T CONSIDER THAT ANYTHING TO BRAG ABOUT. I'M
9 NOT PUTTING DOWN OUR EXISTING STAFF'S EFFORTS. I
10 THINK THEY ALL WORK VERY HARD, BUT WE NEED MORE
11 AND WE NEED BETTER.
12 I KNOW THAT'S HARD TO SAY IN THE
13 TIMES OF FISCAL RESTRAINT THE BOARD FACES, BUT
14 THIS IS A CRITICAL PIECE. AND I THINK THAT WE
15 SHOULDN'T BE WAVING THE FLAG AND BRAGGING THAT,
16 WELL, AFTER THE YEAR 2000 ONLY HALF THE STATE
17 AGENCIES WILL HAVE PAPER RECYCLING, NOT TO
MENTION
18 GRASSCYCLING, COMPOSTING, RECYCLING OF OTHER
MIXED
19 WASTE PAPER, A NUMBER OF OTHER COMMODITIES
THAT
20 PROGRAMS GENERATE. IN THE CASE OF PRISONS AND
21 HOSPITALS AND UNIVERSITIES, THERE'S LARGE
22 QUANTITIES OF FOOD WASTE THAT ARE GENERATED,
LARGE

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23 AMOUNTS OF MATERIAL THAT HAVE NOT BEEN FOCUSED

ON

24 BY THE EXISTING STATE RECYCLING PROGRAMS
25 ADEQUATELY.

CHAIRMAN PENNINGTON: THANK YOU. ANY FURTHER QUESTIONS? IF NOT, WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: NO.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: NO.

BOARD SECRETARY: RELIS

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: NO.

MOTION FAILS.

MS. ZWARTS: NO POSITION ON THE BILL.

CHAIRMAN PENNINGTON: NEXT IS SB 2.

MS. ZWARTS: SB 2 BY SENATOR THOMPSON, THIS BILL IS SPONSORED BY THE AUTHOR HIMSELF. THIS BILL WOULD ENACT THE PARKS AND RESOURCES IMPROVEMENT BOND ACT OF 1998 AND PROVIDES A LITTLE SHY OF HALF A MILLION DOLLARS FOR VARIOUS PARK, RECREATIONAL, WILDLIFE RESTORATION PROJECTS. THIS

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25 IS TO GO BEFORE THE VOTERS ON NOVEMBER 3RD OF

1998. THIS BILL IS IN THE SENATE APPROPRIATIONS COMMITTEE ON THE SUSPENSE FILE, AS ARE ALL BOND ACTS AT THIS TIME OF YEAR. THAT BILL HAS NO FISCAL IMPOSITION ON THE BOARD.

THE COMMITTEE REVIEWING THE BILL RECOMMENDED THAT WE SUPPORT THE BILL, WITH AMENDMENTS, AND THE AMENDMENTS ARE TO LEGISLATIVE INTENT LANGUAGE, WHICH IS AN ADDENDUM TO YOUR AGENDA PACKAGE. A TWO TO ONE VOTE ON THAT RECOMMENDATION, AND I'D BE HAPPY TO ANSWER ANY QUESTIONS.

CHAIRMAN PENNINGTON: QUESTIONS OF MS. ZWARTS ON THIS BILL?

BOARD MEMBER FRAZEE: MR. CHAIRMAN, AGAIN, I OPPOSE THIS BILL BASED ON TWO GROUNDS. AGAIN, FIRST OF ALL, I DON'T THINK IT'S AN APPROPRIATE MATTER FOR THIS BOARD TO BE CONSIDERING. BOND ACTS ARE SOMEWHAT UNIQUE; AND IN MY EXPERIENCE WITH DEALING WITH THEM, THIS IS JUST THE FIRST SHOT OUT ON BONDS. AND ALTHOUGH IT'S SB 2 AND THE EARLY ONE, THE NATURE OF THESE THINGS IS THAT A LARGE NUMBER OF BOND BILLS ARE

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23 ACCUMULATED DURING THE EARLY COURSE OF THE

24 SESSION, AND THEN THEY ALL GO ON A SUSPENSE

FILE.

25 THEY ARE THEN NEGOTIATED DOWNWARD BY A
LEADERSHIP

COMMITTEE, AND SO -- WELL, FIRST OF ALL, I JUST DON'T THINK IT'S AN APPROPRIATE SUBJECT FOR US.

NO. 2, THERE MAY BE OTHER BOND ISSUES OF GREATER IMPORTANCE. IF THIS WERE AN APPROPRIATE ISSUE FOR US TO DISCUSS, ARE WE GOING TO GET INTO SCHOOL BONDS AND HIGHWAY BONDS AND EARTHQUAKE BOND AND EVERYTHING ELSE IN THE WAY OF BOND FUNDING.

SECONDLY, I'M OPPOSED TO THE SUGGESTED AMENDMENTS. I THINK IF WE'RE GOING TO HAVE A BOND ACT, I DON'T THINK IT SHOULD BE CLUTTERED WITH EXTRANEOUS MATTER THAT HAS NO BEARING AND, IN FACT, MAY CAUSE SOME PEOPLE TO VOTE AGAINST THE BOND ACT BECAUSE IT HAS ALL KINDS OF OTHER ITEMS ATTACHED TO IT.

CHAIRMAN PENNINGTON: ANY OTHER DISCUSSION?

BOARD MEMBER GOTCH: MR. CHAIR, THIS BILL CAME BEFORE LEGISLATION AND PUBLIC EDUCATION COMMITTEE BECAUSE IT DOES CONTAIN INTENT LANGUAGE WHICH AFFECTS THE BOARD. AND I HAD ASKED FOR SPECIFIC LANGUAGE THAT IN THE WORDING OF THE BILL

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23 WOULD INCLUDE THAT -- IF I MAY READ BRIEFLY,

I'M

24 LOOKING FOR THE -- FULL AND PROPER

CONSIDERATION

25 OF THE PURCHASE OF RECYCLED-CONTENT PRODUCTS

WHEN

CONDUCTING THE ACTIVITIES ASSOCIATED WITH THIS BOND ACT. AMONG OTHER THINGS, RECYCLED-CONTENT PRODUCTS CAN BE USED AS PLASTIC LUMBER FOR PICNIC TABLES, PARK BENCHES, LITTER RECEPTACLES, PLAYGROUND EQUIPMENT, CONSTRUCTION AND DEMOLITION DEBRIS FOR PARKING LOT AND ACCESS ROAD PAVING; GREEN WASTE FOR COMPOST, MULCH, TRAIL BUILDING, AND EROSION CONTROL; AND USED TIRES FOR RUBBERIZED ASPHALT PROJECTS AND PLAYGROUND SURFACING.

SO BASICALLY, I'M JUST ASKING FOR SPECIFIC LANGUAGE ADDED TO THIS BOND; AND I QUESTION IF THERE WERE A BOND COMING BEFORE US THAT WAS REGARDING RECYCLING FACILITIES, WOULD YOU NOT WANT TO TAKE A LOOK AT THAT BOND BILL?

CHAIRMAN PENNINGTON: THE MATERIAL YOU JUST READ US IS YOUR SUGGESTED AMENDMENT TO THE BILL, OR IS THAT IN THE --

BOARD MEMBER GOTCH: THAT WAS IN THE LEGISLATIVE INTENT LANGUAGE, CORRECT, THAT I --

CHAIRMAN PENNINGTON: IT IS PART OF THE BILL?

BOARD MEMBER GOTCH: NO. PART OF THE BILL INCLUDES LANGUAGE -- INTENT LANGUAGE FOR THE BOARD USING THE RECYCLED-CONTENT MATERIALS.

MS. ZWARTS: THE BILL AS IT IS IN PRINT

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TODAY DOES HAVE INTENT LANGUAGE THAT ENCOURAGES THE LEGISLATURE IN EVERY STATE OR LOCAL AGENCY TO RECEIVE FUNDING UNDERNEATH THIS BOND, TO THE EXTENT POSSIBLE USE -- RECYCLE REUSABLE PRODUCTS WHENEVER CARRYING OUT THE ACTIVITIES IN THE BILL. THE COMMITTEE'S PROPOSED AMENDMENT, WHICH IS IN YOUR ADDENDUM, BE HAPPY TO READ THAT TO YOU IF IT'S NOT AVAILABLE, WOULD ENHANCE THAT EXISTING INTENT LANGUAGE.

CHAIRMAN PENNINGTON: WHAT ABOUT THE AGENCY THAT REALLY IS AFFECTED BY IT, PARKS AND REC, FISH AND GAME, CONSERVATION, THOSE DEPARTMENTS? HAVE THEY TAKEN A STAND ON IT?

MS. ZWARTS: I'M NOT SURE WHAT THEIR POSITION IS ON THIS ONE. I KNOW THE ADMINISTRATION IS LOOKING AT THIS AND ALL THE OTHER RELATED BONDS AS A GROUP.

CHAIRMAN PENNINGTON: AS A GROUP?

MS. ZWARTS: YEAH.

CHAIRMAN PENNINGTON: OKAY.

BOARD MEMBER GOTCH: SO I WOULD LIKE TO MAKE A MOTION, IF I MAY.

CHAIRMAN PENNINGTON: CERTAINLY.

BOARD MEMBER GOTCH: AND THAT IS SUPPORT WITH THE SUGGESTED MORE SPECIFIC LANGUAGE AND

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AMENDMENTS.

BOARD MEMBER CHESBRO: SECOND.

CHAIRMAN PENNINGTON: OKAY. ANY FURTHER QUESTIONS? IT'S BEEN MOVED AND SECONDED THAT WE SUPPORT IF AMENDED, AND WE HAVE SOME AMENDMENTS. IF THERE'S NO FURTHER DISCUSSION, WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: NO.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: NO.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: I'M GOING TO ABSTAIN BECAUSE I DON'T THINK THIS SHOULD REALLY BE BEFORE US. I'M NOT AGAINST PARK AND BOND ISSUES, BUT I DON'T THINK THIS IS OUR DOMAIN, SO I WILL ABSTAIN FOR THAT REASON.

BOARD SECRETARY: CHAIRMEN PENNINGTON.

CHAIRMAN PENNINGTON: WHILE I AGREE WITH MR. RELIS, I HAVE TO VOTE NO.

BOARD MEMBER CHESBRO: MR. CHAIRMAN?

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CHAIRMAN PENNINGTON: YES.

MOTION FAILS.

BOARD MEMBER CHESBRO: I WOULD LIKE TO MAKE A SUGGESTION, AN ALTERNATIVE STRATEGY, WHICH, SINCE THE MAJORITY OF THE BOARD APPEARS NOT TO WANT TO GET INVOLVED IN ENDORSING OR OPPOSING BOND MEASURES, WOULD BE THAT WE APPROACH THE AUTHORS OF VARIOUS BOND MEASURES WITH THIS TYPE OF INTENT LANGUAGE WITHOUT REGARDS TO SUPPORT OR OPPOSITION BY THE BOARD. SIMPLY SUGGEST THAT THEY CONSIDER INCORPORATING LANGUAGE WHICH ENCOURAGES THE USE OF RECYCLED MATERIALS IN THEIR BOND MEASURES. I WOULD SO MOVE.

BOARD MEMBER GOTCH: I'LL SECOND.

CHAIRMAN PENNINGTON: OKAY. IS THERE ANY --

BOARD MEMBER RELIS: I DON'T SEE A NEED TO VOTE ON THAT. THAT'S SORT OF A GENERAL --

CHAIRMAN PENNINGTON: THAT'S SORT OF MAKING INFORMAL POLICY.

BOARD MEMBER RELIS: I DON'T --

CHAIRMAN PENNINGTON: I HAVE ALWAYS BEEN UNDER THE IMPRESSION THAT PARTICULARLY THE LEGISLATIVE EMPLOYEES HAVE THE OPPORTUNITY TO DISCUSS WITH THEIR APPOINTED POWERS ITEMS WHICH

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THEY WANT. I DON'T KNOW THAT WE NEED TO TAKE A FORMAL POLICY --

BOARD MEMBER CHESBRO: WELL, THERE IS A MOTION THAT I HAVE MADE, AND I WOULD LIKE TO HAVE A VOTE. I WOULD SAY THAT WHILE -- I WOULD LIKE TO SAY MY ADVICE OR SUGGESTION TO A LEGISLATOR MIGHT CARRY SOME WEIGHT. I DO THINK THE BOARD'S ENDORSEMENT ASSISTS IN EFFORTS TO ACHIEVE LEGISLATIVE ACCOMPLISHMENTS, SO I AM SEEKING BOARD SUPPORT FOR THE IDEA.

CHAIRMAN PENNINGTON: OKAY. ANY OTHER QUESTIONS? I WOULD LIKE FOR YOU TO REPEAT YOUR MOTION.

BOARD MEMBER CHESBRO: THE MOTION IS FOR THE BOARD TO APPROACH AUTHORS OF VARIOUS BOND -- ALL OF THE AVAILABLE BOND MEASURES TO ENCOURAGE THEM TO INCLUDE LANGUAGE WHICH WOULD ENCOURAGE THE USE OF RECYCLED-CONTENT MATERIALS IN THEIR BOND MEASURES.

CHAIRMAN PENNINGTON: OKAY. IF THERE'S NO FURTHER DISCUSSION, WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: DID WE HAVE A SECOND ON

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THAT?

BOARD MEMBER GOTCH: YES.

CHAIRMAN PENNINGTON: YES, MRS. GOTCH.

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: NO.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: NO.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: NO.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: NO. MOTION FAILS.

THAT CONCLUDES THE LEGISLATIVE PORTION.

NOW WE'LL MOVE TO ITEM 18.

BOARD MEMBER GOTCH: WE HAVE ONE MORE.

MS. ZWARTS: ACTUALLY, WE HAVE ONE MORE BILL. I KNOW WE WANT TO MOVE ON. I'LL BE QUICK WITH THIS ONE. THE LAST BILL BEFORE YOU TODAY IS SB 698 BY SENATOR RAINEY. THE BILL IS SPONSORED BY FIRST BRANDS, INCORPORATED. THIS MEASURE WOULD REPLACE THE 30-PERCENT RECYCLED MATERIAL MINIMUM CONTENT MATERIAL USED FOR 1997 FOR THE TRASH

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BAG
25 PROGRAM WITH THE NEW METHOD OF CALCULATING THE
USE

REQUIREMENTS FOR 1998 AND BEYOND.

IT REQUIRES THE BOARD TO PROVIDE MANUFACTURERS WITH A CREDIT OF 1.2 POUNDS FOR EVERY ONE POUND OF POSTCONSUMER PLASTIC PURCHASED FROM A CALIFORNIA SUPPLIER. IT BASICALLY CHANGES HOW WE CALCULATE COMPLIANCE WITH THE MINIMUM CONTENT TRASH BAG PROGRAM.

THIS BILL IS IN THE SENATE APPROPRIATION COMMITTEE, A HEARING DATE NOT SET, AND IT PASSED THE SENATE ENVIRONMENTAL QUALITY COMMITTEE EARLIER THIS WEEK, SIX-TO-ONE VOTE.

YOU'LL NOTICE IN YOUR PACKET A NEW ANALYSIS. SINCE THE PRINT DATE FOR THE BOARD AGENDA, THE BILL HAS BEEN AMENDED, AND THAT IS THE BILL THAT IS BEFORE YOU TODAY. IN REVIEWING THE BILL, THE LPEC RECOMMENDED THAT WE OPPOSE THE MEASURE ON A VOTE OF TWO TO ONE.

I SHOULD MENTION THAT ON MONDAY, WHEN THIS BILL WAS HEARD IN COMMITTEE, TWO ADDITIONAL AMENDMENTS WERE IMPOSED ON THE BILL THAT ARE NOT IN YOUR ANALYSIS. THEY ARE, ONE, THAT THE PROGRAM HAVE A THREE-YEAR SUNSET DATE AND, TWO, THAT PENALTIES BE ADDED TO THE BILL FOR NONCOMPLIANCE WITH THE TRASH BAG LAW.

BOARD MEMBER CHESBRO: SO THE ENTIRE

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CONTENT PROGRAM FOR TRASH BAGS WOULD BE SUNSETTED?

MS. ZWARTS: NO. THE FORMULA THAT IS BEING PROPOSED BY THIS BILL WOULD SUNSET, GO BACK TO ITS ORIGINAL METHOD, AFTER THREE YEARS.

CHAIRMAN PENNINGTON: ANY QUESTIONS OF MS. ZWARTS? OKAY. ANY DISCUSSION FROM BOARD MEMBERS?

BOARD MEMBER CHESBRO: I MOVE WITH THE COMMITTEE, AND I MOVE THAT WE OPPOSE THE BILL.

BOARD MEMBER GOTCH: AND I WILL SECOND.

CHAIRMAN PENNINGTON: OKAY. IT'S BEEN MOVED AND SECONDED THAT WE OPPOSE THE BILL. ANY DISCUSSION?

BOARD MEMBER RELIS: MR. CHAIR. YES. I WOULD LIKE TO CLARIFY. THERE IS NOW AN ENFORCEMENT PROVISION, IS THAT TRUE, IN THE AMENDMENT -- IN THE AMENDED VERSION?

MS. ZWARTS: IN THE EXISTING LAW THERE ARE SOME PENALTY PROVISIONS. WHAT THE COMMITTEE ASKED FOR WAS AN ADDITIONAL PENALTY PROVISION WITH THIS NEW FORMULA. I HAVE NOT SEEN THE LANGUAGE. IT HAS YET TO BE WRITTEN.

BOARD MEMBER RELIS: OKAY. THANK YOU.

CHAIRMAN PENNINGTON: ANY FURTHER DISCUSSION? IF NOT, WILL THE SECRETARY CALL THE

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ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: NO.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: NO.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: NO.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: NO.

OKAY. THAT MEANS WE HAVE NO POSITION ON THAT BILL.

WE'LL NOW MOVE TO ITEM 18, PLANNING ELEMENTS AND ENFORCEMENT OPTIONS. CONSIDERATION OF STAFF RECOMMENDATIONS REGARDING ENFORCEMENT OPTIONS FOR JURISDICTIONS THAT HAVE FAILED TO FILE ADEQUATE SOURCE REDUCTION AND RECYCLING ELEMENTS AND/OR NONDISPOSAL FACILITY ELEMENTS, INCLUDING COMPLIANCE SCHEDULES, PUBLIC HEARING PROCEDURES, AND CRITERIA FOR PENALTIES.

JUDY FRIEDMAN.

BOARD MEMBER GOTCH: MR. CHAIR, IF I MAY

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INTERRUPT REALLY QUICKLY, MS. FRIEDMAN, I WASN'T ON RECORD FOR THE CONSENT CALENDAR AND APPROVING IT, AND SO I WOULD LIKE TO GIVE MY AYE. THANK YOU.

CHAIRMAN PENNINGTON: CERTAINLY.

LET THE RECORD SHOW THAT MS. GOTCH VOTED AYE ON THE CONSENT CALENDAR.

MS. FRIEDMAN.

MS. FRIEDMAN: GOOD MORNING, CHAIRMAN PENNINGTON AND BOARD MEMBERS. THIS ITEM IS REALLY THE CULMINATION OF A PROCESS WE STARTED OVER A YEAR AGO. IN MARCH OF 1996, THE BOARD ADOPTED A STEPWISE APPROACH FOR ACHIEVING COMPLIANCE WITH RESPECT TO SUBMITTAL OF LOCAL PLANS. OVER THE LAST YEAR, USING THIS APPROACH, STAFF WERE ABLE TO REDUCE THE NUMBER OF OUTSTANDING PLANS BY ABOUT 50 PERCENT.

THIS LAST MARCH STAFF CAME BACK TO THE BOARD AND IDENTIFIED THAT THERE WERE STILL OUTSTANDING PLANS AND SUPPORTING DOCUMENTATION. THE BOARD DIRECTED STAFF TO CONTINUE THE STEPWISE APPROACH, AND THIS BOARD ACTION, AS WELL AS STAFF EFFORTS, HAVE RESULTED IN, AND I'M VERY PLEASED TO

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24 SAY, THAT WE HAVE A SUBMITTAL OF EITHER THE PLANS,
25 SUPPORTING DOCUMENTATION, OR A COMPLIANCE SCHEDULE

FROM THE 67 JURISDICTIONS THAT WERE OUTSTANDING.

BEFORE I TURN THE PRESENTATION OVER TO STAFF, I WISH TO COMMEND STAFF WHO HAVE WORKED HARD TO ACHIEVE THIS OUTSTANDING, UNPRECEDENTED LEVEL OF COMPLIANCE. SPECIFICALLY, I WISH TO THANK A DYNAMIC TRIO OF INDIVIDUALS: LLOYD DILLON WITH THE OFFICE OF LOCAL ASSISTANCE; ELLIOT BLOCK, STAFF COUNSEL; AND TREVOR ANDERSON, FORMERLY WITH THE OFFICE OF LOCAL ASSISTANCE, NOW WITH THE AIR RESOURCES BOARD. I ALSO WISH TO ACKNOWLEDGE ALL OF THE STAFF WHO ASSISTED THEM IN THEIR EFFORTS.

NOW I WOULD LIKE TO TURN THE PRESENTATION OVER TO LLOYD AND ELLIOT.

MR. DILLON: THANK YOU, MS. FRIEDMAN.

GOOD MORNING, BOARD. I'M LLOYD DILLON WITH THE OFFICE OF LOCAL ASSISTANCE. I, ALONG WITH MR. ELLIOT BLOCK, OUR STAFF COUNSEL, WILL MAKE THIS MORNING'S PRESENTATION.

STAFF HAVE BEEN WORKING ON THE STEPWISE APPROACH TO ENFORCEMENT ADOPTED BY THE BOARD LAST YEAR. WE SENT LETTERS TO THE NONCOMPLYING JURISDICTIONS IN MARCH OF '96, JANUARY OF '97, AND FINALLY ANOTHER LETTER THIS LAST MARCH, LAST MONTH ACTUALLY. THE MARCH '97 ENFORCEMENT LETTER ALSO CONTAINED A COMPLIANCE

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SCHEDULE FORM AND REQUESTED THAT THE LOCAL JURISDICTION RETURN THE FORM COMPLETED AND SIGNED.

STAFF ENDEAVORED TO CONTACT THOSE JURISDICTIONS THAT DID NOT IMMEDIATELY RESPOND TO THE LATEST LETTER. AS IT ENDED UP, EVERY NONCOMPLYING JURISDICTION HAS NOW SUBMITTED EITHER THE ELEMENT THAT REQUIRED MISSING DOCUMENTATION OR A COMPLIANCE SCHEDULE. AND STAFF HAS COMPILED THOSE COMPLIANCE SCHEDULES INTO TWO CATEGORIES: LESS THAN 120 DAYS COMPLIANCE AND GREATER THAN 120 DAYS TIME LINE. ALSO, LOCAL JURISDICTIONS ARE BEGINNING TO SUBMIT THEIR ELEMENTS TO US WITH THE REQUIRED DOCUMENTATION FOR STAFF TO PROCEED WITH THEIR REVIEW AND BRING THOSE TO THE BOARD EVENTUALLY FOR ACTION.

STAFF WILL CONTINUE TO MONITOR THE COMPLIANCE SCHEDULES' PROGRESS FOR THOSE JURISDICTIONS WHO HAVE NOT YET SUBMITTED THEIR ELEMENTS OR DOCUMENTATION TO THE BOARD. THE COMPLIANCE LISTS CAN CONSTANTLY CHANGE AS JURISDICTIONS SUBMIT THE DOCUMENTS OR WITHDRAW THE ELEMENTS TO WORK ON THEM FURTHER OR JUST HAVE DELAYS AS THEY CONTINUE WORKING ON THEIR DOCUMENTS.

THE COMPLIANCE SCHEDULES WITHIN THE

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PREFERRED 120-DAY TIME LINE -- THERE WERE 22 JURISDICTIONS AND 29 ELEMENTS ON THAT LIST. THESE SCHEDULES INDICATE EITHER THE ELEMENTS OR THE MISSING DOCUMENTATION WILL SUBMITTED TO THE BOARD BY THE END OF JULY.

THERE WERE 28 JURISDICTIONS AND 51 ELEMENTS ON THE LIST EXCEEDING THE PREFERRED 120-DAY TIME LINE, AND STAFF HAS DETERMINED THAT THOSE SCHEDULES ARE WITHIN REASON AND ARE ACCEPTABLE. AND THE SCHEDULES INDICATE THAT THOSE ELEMENTS OR THE MISSING DOCUMENTATION WOULD BE SUBMITTED TO THE BOARD BY THE END OF SEPTEMBER.

THERE WERE NO JURISDICTIONS THAT DID NOT FILE A COMPLIANCE SCHEDULE WITH THE BOARD. WE HAD 100-PERCENT COMPLIANCE ON THAT. EITHER THEY GOT THE ELEMENTS IN OR THEY DID FILE A COMPLIANCE SCHEDULE OF SOME SORT. AND OF THOSE THAT FILED, THE ORIGINAL MISSING JURISDICTION, THERE WERE 22 JURISDICTIONS THAT HAVE FILED 27 ELEMENTS WITH THE BOARD, AND WE'RE CONTINUING TO PROCESS THOSE AT THIS TIME.

AS WE WORK THROUGH THOSE AND GO THROUGH THE COMPLIANCE SCHEDULES AND GETTING THEM GOING, ONE OF THE OPTIONS CONSIDERED BY THE BOARD WAS TO HOLD A COMPLIANCE HEARING, AN ENFORCEMENT

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HEARING, FOR FAILURE TO COMPLY WITH AB 939 AND THE BOARD'S DIRECTIVES. STAFF MONITORS THOSE; AND IF THEY'RE NOT PROGRESSING EFFECTIVELY OR SMOOTHLY IN A POSITIVE MANNER, WE WILL CONSIDER EXERCISING THAT OPTION, WHICH WOULD BE TO NOTICE -- IMMEDIATELY NOTICE THE JURISDICTION OF A BOARD MEETING TO COME BEFORE ANY HEARING. WITHIN -- I THINK IT'S MINIMUM 30 DAYS, PROBABLY WITHIN THE NEXT 60 DAYS, WHICH WOULD BE NOT THE IMMEDIATE NEXT BOARD MEETING, BUT THE FOLLOWING BOARD MEETING AFTER THIS, THEY WOULD COME BEFORE YOU TO LET YOU KNOW THEIR EFFORTS AND WHAT'S HAPPENING. AND THE BOARD WOULD ALSO THEN CONSIDER THEIR EFFORTS AND POSSIBLE ADMINISTRATIVE ACTIONS.

STAFF WOULD ALSO PRESENT THEIR POSITION AT THAT TIME. MR. BLOCK WILL EXPLAIN THAT LATER ON DURING HIS PART OF THE PRESENTATION.

STAFF WILL CONTINUE TO MONITOR PROGRESS OF THOSE JURISDICTIONS THAT HAVE NOT SUBMITTED THEIR ELEMENTS OR DOCUMENTATION TO THE BOARD. WE WILL ALSO CONTINUE TO MONITOR THE COMPLIANCE SCHEDULES. WE WILL CONTINUE TO PROVIDE THE OVERALL SUBMITTAL COMPLIANCE STANDARDS REPORTS THROUGH THE DEPUTY DIRECTOR AT THE LOCAL ASSISTANCE AND PLANNING COMMITTEE MEETINGS. AND

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WE WILL PROVIDE SPECIFIC UPDATES AT THE COMMITTEE MEETINGS THROUGH THE DEPUTY DIRECTOR REPORT ON NONCOMPLYING JURISDICTIONS.

WE DID HAVE A COUPLE INSTANCES OUT OF THE ORDINARY THAT WERE BROUGHT BEFORE THE PLANNING COMMITTEE FOR CONSIDERATION. THERE WERE FOUR JURISDICTIONS IN TWO CATEGORIES. ONE WAS UNION CITY IN ALAMEDA COUNTY. THEY HAD BEEN INFORMED ABOUT THEIR INADEQUACY OF THEIR PREVIOUS DOCUMENTATION FILINGS. AND DURING OUR ATTEMPTS TO GET COMPLIANCE SCHEDULES FILED, WE HAD BEEN ASSURED BY THEIR ASSISTANT CITY MANAGER THAT THE DOCUMENTATION WOULD BE FORTHCOMING. THEY HAD SUBMITTED DOCUMENTS THAT WE HAD NOT HAD A CHANCE TO LOOK AT PRIOR TO THE PLANNING COMMITTEE MEETING.

SUBSEQUENT TO THAT, WE HAVE LOOKED AT IT, AND WE HAVE HAD COMMUNICATION WITH THE CITY. WE'VE ACCEPTED SOME OF THEIR DOCUMENTATION AS BEING -- COMPLYING WITH THE NEED FOR PUBLIC NOTICE AND PUBLIC HEARING FOR THE SOURCE REDUCTION AND RECYCLING ELEMENT ADOPTION, BUT THE CITY AGREED WITH US THAT THEY HAD FAILED TO NOTICE THE PUBLIC HEARING FOR THE ADOPTION OF THE NONDISPOSAL FACILITY ELEMENT. AND THE CITY HAS VOLUNTEERED TO

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RENOTICE THAT AND READOPT IT. THE NOTICE IS GOING OUT SOON, I BELIEVE IT'S ON THE MAY 23RD, CITY COUNCIL MEETING FOR READOPTION.

SO WITH THAT, WE AGREED TO VERBALLY AMEND THE CITY'S COMPLIANCE SCHEDULE, AND WE WOULD EXPECT TO HAVE SOMETHING FILED WITH US PROBABLY BY THE FIRST OF JUNE, THE FEW DOCUMENTS, THE NOTICE OF PUBLIC HEARING, AND THE NEW RESOLUTION. AND WE WILL BE WORKING WITH THEM IF THERE'S ANYTHING FURTHER THAT THEY NEED ON THIS. THE OTHER -- AND WE WOULD PUT THAT INTO THE LESS THAN 120-DAY COMPLIANCE SCHEDULE CATEGORY.

THE OTHER INSTANCE WAS COLUSA COUNTY, INCLUDING THE CITIES OF COLUSA AND WILLIAMS. THEY HAD SUBMITTED A COMPLIANCE SCHEDULE THAT EXTENDED INTO FEBRUARY OF '98. MR. RICHARD DICKSON, THE COUNTY'S ENVIRONMENTAL COMPLIANCE ANALYST, CAME BEFORE THE COMMITTEE AND PROVIDED AN EXPLANATION OF THE PROPOSED SCHEDULE, INCLUDING CONFLICTING SCHEDULES THAT HE HAS AT THIS TIME TO DO THE LANDFILL CLOSURE AND SOME OTHER THINGS.

THE COMMITTEE INSTRUCTED STAFF TO DEVELOP A SCHEDULE THAT WOULD HAVE THE COUNTY AND THE CITY SUBMITTING THEIR SOURCE REDUCTION AND

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RECYCLING ELEMENTS AND NONDISPOSAL FACILITY ELEMENTS BY THE END OF DECEMBER. THIS WOULD BE CONSISTENT WITH THE SCHEDULE PROPOSED TO BE ACCEPTED BY THE BOARD FOR THE 120 DAYS OR GREATER GROUP, EVEN THOUGH IT'S THREE MONTHS LONGER. MOST OF THE OTHERS WOULD BE IN BY THE END OF SEPTEMBER.

STAFF HAS DEVELOPED THAT SCHEDULE AND HAS PRESENTED A COPY OF THE COMPLIANCE SCHEDULE TO THE COUNTY REPRESENTATIVE. HE HAS LOOKED IT OVER AND HAS NOT REALLY COMMENTED ON IT. STAFF WILL CONTINUE TO WORK WITH THE COUNTY AND THE CITIES IN THEIR EFFORTS TO MEET THE SCHEDULE AS DIRECTED BY THE COMMITTEE. WE HAVE ALREADY HAD SOME SHORTCUT SUGGESTIONS TO THE COUNTY REPRESENTATIVE AND A COUPLE OF PHONE CALLS WITH THEM. AND THAT SCHEDULE HAS BEEN DISTRIBUTED TO YOU AND AVAILABLE ON THE TABLE OUT FRONT.

WITH THAT IN MIND, STAFF RECOMMENDS THAT THE BOARD ACCEPT STAFF'S RECOMMENDATIONS, WHICH ARE TO ACCEPT THOSE COMPLIANCE SCHEDULES FOR 120 DAYS OR LESS, INCLUDING THE COUNTY-MODIFIED COMPLIANCE SCHEDULE FOR THE CITY OF UNION CITY, ALAMEDA COUNTY, AND TO ACCEPT THOSE COMPLIANCE SCHEDULES FOR GREATER THAN 120 DAYS, INCLUDING THE PROPOSED SCHEDULE FOR COLUSA COUNTY AND THE CITIES

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OF COLUSA AND WILLIAMS.

WITH THAT, MR. BLOCK WOULD LIKE TO MAKE A STATEMENT.

MR. BLOCK: I JUST WANTED TO ADD A COUPLE OF COMMENTS TO LLOYD'S PRESENTATION BEFORE YOU VOTE ON THE FIRST RESOLUTION ON THIS ITEM. AND THAT IS LLOYD USED THE WORD "ACCEPT" AS OPPOSED TO "APPROVE." I JUST WANT TO HIGHLIGHT THAT WE HAVE SPECIFICALLY USED THE WORD "ACCEPTANCE OF THE SCHEDULES" AS OPPOSED TO "APPROVE" TO HIGHLIGHT THAT WHAT THE BOARD IS DOING WITH THIS ACTION IS ACCEPTING THESE COMPLIANCE SCHEDULES FOR THE PURPOSE OF NOT SCHEDULING A PUBLIC HEARING, BUT WHAT THE BOARD IS NOT DOING IS THAT WE'RE NOT SAYING THAT IT'S OKAY THAT THOSE SCHEDULES CAME IN THREE PLUS YEARS LATE. JUST TRYING TO MAKE A LITTLE BIT OF A DISTINCTION THERE.

THE SECOND THING I WANTED TO POINT OUT, AND LLOYD ALLUDED TO THIS AS WELL IN HIS HEARING, IS THAT AS THE COMPLIANCE SCHEDULE PROCEDURE, IF YOU WILL, IS LAID OUT IN THE AGENDA ITEM, WHAT STAFF IS PROPOSING IS THAT SHOULD A JURISDICTION NOT MEET ITS COMPLIANCE SCHEDULE, THAT WE WOULD BE SCHEDULING A HEARING DIRECTLY AS OPPOSED TO COMING BACK TO THE COMMITTEE AND THE

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BOARD FIRST TO DECIDE WHETHER OR NOT TO SCHEDULE A PUBLIC HEARING. AND THAT'S PURELY FOR THE PURPOSES OF EFFICIENCY AND CONSERVING RESOURCES.

WE HAVE TWO RESOLUTIONS. THERE'S TWO PARTS TO THIS ITEM, BUT IF IT'S THE BOARD'S PLEASURE --

MR. DILLON: WITH THOSE ADJUSTMENTS, AS I MENTIONED, AND WITH THAT UNDERSTANDING THAT ELLIOT'S MADE CLEAR, STAFF WOULD RECOMMEND THE BOARD ADOPT AT THIS TIME RESOLUTION 97-146, WHICH IS FOR THE COMPLIANCE SCHEDULES.

CHAIRMAN PENNINGTON: MR. CHESBRO.

BOARD MEMBER CHESBRO: YES. ON BEHALF OF THE COMMITTEE, FIRST OF ALL, I WOULD LIKE TO ECHO PREVIOUS COMMENTS ABOUT THE STAFF WORK ON THIS. IT HAS BEEN OUTSTANDING. IT'S TAKEN A GREAT DEAL OF PERSISTENCE TO CONTACT EACH OF THESE JURISDICTIONS. IT'S TAKEN IN SOME CASES REPEATED, VERY TACTFUL, BUT PERSISTENT EFFORTS TO GET IN TOUCH AND GET AGREEMENTS ESTABLISHED. AND I ALWAYS FORGET THE EXACT NUMBER, 531 JURISDICTIONS, A FAIRLY SMALL BUT TOUGH PERCENTAGE WHICH WE HAVEN'T HAD IN THE PROCESS, BUT ALL OF WHOM HAVE NOW BEEN BROUGHT INTO THE PROCESS WITH THE ACTION THAT'S RECOMMENDED TODAY. I THINK IT IS AN OUTSTANDING

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1 EFFORT.

2 I THINK -- I SAID AT THE COMMITTEE

3 AND I'LL SAY AGAIN TODAY THAT THE BOARD HAS SPENT

4 THE LAST SIX YEARS, SIX AND A HALF YEARS

5 ESSENTIALLY TRYING TO BE AS RESPONSIVE AS POSSIBLE

6 AND AS HELPFUL AS POSSIBLE. THERE COMES A TIME

7 WHERE YOU SAY THAT THERE'S A FINISHING POINT, AND

8 WE'RE AT THAT POINT IN TERMS OF AT LEAST GETTING

9 THE PLANS SUBMITTED. AND WE DID GET -- WE DO HAVE

10 EITHER THOSE ELEMENTS IN HAND, DRAFT ELEMENTS IN

11 HAND, OR WE NOW HAVE COMPLIANCE SCHEDULES PROPOSED

12 FOR THEM.

13 ONE EXCEPTION THAT'S STILL OUT THERE

14 IS THE COLUSA COUNTY JURISDICTION'S AND THEY

15 PROPOSED, AS WAS INDICATED, A COMPLIANCE SCHEDULE

16 WHICH WENT WELL INTO 1998. WE WERE GOING TO WIND

17 UP WITH 530 THAT SAID YES AND ONE THAT SAID NO. I

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18 THINK THE COMMITTEE WAS NOT INCLINED, AND I THINK

19 THE BOARD SHOULD NOT BE INCLINED, TO GO ALONG WITH

20 THAT. ON THE OTHER HAND, EVEN SO, WE STILL GAVE

21 THEM A COMPLIANCE SCHEDULE THAT WAS BETTER THAN

22 ALL THE OTHERS. WE GAVE THEM TILL ESSENTIALLY THE

23 END OF THIS YEAR, AS I UNDERSTAND, RIGHT?

24 DECEMBER?

25 MR. DILLON: IT GOES TO ACTUALLY DECEMBER

3RD.

BOARD MEMBER CHESBRO: DECEMBER 3RD AS OPPOSED TO WHAT WAS IT GOING TO BE, FEBRUARY OR MARCH?

MR. DILLON: YES.

BOARD MEMBER CHESBRO: I WOULD SUGGEST, AND THIS DOESN'T HAVE TO BE PART OF THE MOTION, THAT WE -- IN ORDER TO BE AS CLEAR AS WE CAN, PERHAPS THE CHAIR OR THE CHAIR AND I SHOULD SIGN ANOTHER LETTER TO THE CHAIR OF THE BOARD OF SUPERVISORS AND THE MAYORS IN THE TWO JURISDICTIONS TO SORT OF RESTATE THAT WE REALLY FEEL, THAT IT'S TIME TO GET THIS THING DONE SO WE CAN MOVE ON FROM THE QUESTION OF CONSIDERING PLANNING ELEMENTS SIX, SEVEN YEARS, EIGHT YEARS AFTER THE LAW PASSED. BUT THAT'S JUST A GENERAL COMMENT.

I WOULD MOVE THE COMMITTEE'S RECOMMENDATION, WHICH WAS TO ADOPT RESOLUTION 97-146 -- IS THAT RIGHT, ELLIOT?

MR. BLOCK: YES.

BOARD MEMBER CHESBRO: -- WHICH WOULD ACCEPT THE COMPLIANCE SCHEDULES FOR THE JURISDICTIONS THAT HAVE FAILED TO SUBMIT PLANS, AND COMPLIANCE SCHEDULE WHICH THE COMMITTEE

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RECOMMENDED FOR THE COUNTY OF COLUSA, THE CITY OF WILLIAMS AND THE CITY OF COLUSA.

CHAIRMAN PENNINGTON: I WOULD BE HAPPY TO SECOND THAT. I WOULD LIKE TO ADD A LITTLE BIT TO THE MOTION, AND THAT IS TO DIRECT THE STAFF TO MAKE A REVIEW OF THESE ITEMS THE HIGHEST PRIORITY TO ASSURE THE TIME TABLES AND IMPLEMENT SCHEDULING.

MR. CHANDLER: YOU MIGHT WANT TO REPEAT THAT INTO THE MICROPHONE. WE DIDN'T PICK THAT UP.

CHAIRMAN PENNINGTON: I'LL TRY IT THIS SIDE.

THE ADDITION TO MR. CHESBRO'S MOTION WOULD BE TO DIRECT STAFF TO MAKE A REVIEW OF THESE ELEMENTS THE HIGHEST PRIORITY TO ENSURE THE BOARD MEETS ITS TIME TABLES AND APPROVED COMPLIANCE SCHEDULES. I AM AWARE THAT THE STAFF IS VERY BUSY, BUT I WOULD LIKE TO MAKE SURE WE STAY

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WITHIN

19 OUR TIME TABLE AS WELL. SO WITH THAT, I'LL

SECOND

20 THE MOTION. AND IF THERE'S ANY FURTHER

21 DISCUSSION --

22 BOARD MEMBER FRAZEE: I WOULD COMMENT,

IF

23 I COULD. I ALSO WANTED TO COMPLIMENT STAFF AND

24 PAT OURSELVES ON THE BACK FOR REACHING THIS
25 PARTICULAR MILESTONE. THERE IS A COMPARISON
WITH

THIS TYPE OF ACTIVITY THAT I'VE HAD SOME EXPERIENCE WITH, AND THAT'S THE AIRPORT LAND USE PLAN. AND THOSE WERE DUE SOME 20 YEARS AGO, AND AT MY LAST CHECK THEY'RE STILL NOT IN. AND THAT NUMBER OF JURISDICTIONS, INCLUDING THE CITY OR THE COUNTY OF LOS ANGELES, HAVE SOUGHT LEGISLATIVE RELIEF FROM MEETING THAT DATE. AND SO I THINK IT'S A REAL GOAL, A REAL ACHIEVEMENT OF A GOAL THAT WE WOULD REACH THAT POINT OF VIRTUAL COMPLIANCE WITH JUST A FEW STRAGGLERS OUT THERE AND WITH THE COMPLIANCE SCHEDULE.

BOARD MEMBER CHESBRO: ONE OTHER THING WE TALKED ABOUT AT COMMITTEE AFTER ALL THE TOUGH TALK ABOUT POOR LITTLE COLUSA COUNTY AND NEEDING TO GET IT IN, WE ALSO SAID TO HAVE STAFF, AND THIS DOESN'T NEED TO BE PART OF THE MOTION, BUT AS WE HAVE, WHATEVER THEY NEED TO HELP THEM, BECAUSE THEY DIDN'T MAKE A COMPELLING PRESENTATION ABOUT ALL THEIR PROBLEMS. THEY HAVE OTHER STATE AND FEDERALLY MANDATED SOLID WASTE DOCUMENTS RELATING TO LANDFILL CLOSURE THAT THEY'RE STRUGGLING WITH A LIMITED STAFF.

SO WE DID SAY TO STAFF, AND THIS IS NOT TO IMPLY THEY HAVEN'T ALREADY DONE THIS, BECAUSE THEY HAVE, BUT CONTINUE TO PROVIDE THEM

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WITH WHATEVER ASSISTANCE WE CAN TO HELP THEM GET TO THIS DEADLINE THAT WE'VE SET. SO I GUESS THAT WAS THE CARROT SIDE OF THE STICK DISCUSSION.

CHAIRMAN PENNINGTON: ANY FURTHER DISCUSSION? IF NOT, WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: AYE.

MR. DILLON: CAN I ALSO POINT OUT THAT IF ALL THIS HAPPENS AND EVERYBODY MEETS THEIR SCHEDULES, THAT THE BOARD WOULD THEN HAVE ALL THE CWIMPS THROUGHOUT THE STATE HOPEFULLY APPROVED IN THE EARLY PART OF 1998. THAT WOULD BE ALL THE JURISDICTIONS AND ALL THE COUNTY DOCUMENTS TOO. THAT'S WHAT WE'RE GOING TO BE STRIVING FOR, IN

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SUPPORT OF WHAT WAS JUST SAID.

MR. BLOCK: THE SECOND PART OF THIS AGENDA ITEM HAS TO DO WITH HEARING PROCEDURES AND CRITERIA ON THE OFF CHANCE, AND WE HOPE THIS DOESN'T HAPPEN, SOME OF THESE COMPLIANCE SCHEDULES AREN'T MADE. I KNOW WE'VE GOT A FULL AGENDA TODAY, SO THE DETAILS OF WHAT I'M GOING TO TALK ABOUT START ON PAGE 101 OF YOUR AGENDA PACKET, AND I'M JUST GOING TO TRY TO QUICKLY HIT A COUPLE OF HIGHLIGHTS. AND, OF COURSE, IF YOU HAVE MORE QUESTIONS, I CAN PROVIDE FURTHER DETAIL.

IN TERMS OF THE HEARING PROCEDURES THAT STAFF IS PROPOSING FOR ANY ENFORCEMENT HEARINGS THAT THE BOARD MIGHT HAVE TO PROVIDE, THERE'S A COUPLE OF DIFFERENT ISSUES THAT WE DEALT WITH. THE FIRST ONE IS TRYING TO DETERMINE A LEVEL OF FORMALITY AT THE PUBLIC HEARING. AND IN MAKING THE PROPOSAL THAT WE HAVE, WE HAVE SOUGHT TO BALANCE ISSUES SUCH AS PROCEDURAL DUE PROCESS AND ENFORCEABILITY OF ANY BOARD DECISION WITH EFFICIENCY AND SOME COMMON SENSE ISSUES.

SO LOOKING AT THE RANGE FROM A TYPICAL BOARD AGENDA ITEM, WHICH IS FAIRLY FREE FLOWING, TO AN ADMINISTRATIVE PROCEDURE ACT HEARING WITH AN ADMINISTRATIVE LAW JUDGE, WE'VE

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SOUGHT TO STRIKE A BALANCE IN BETWEEN THERE WITH A MODIFIED BOARD -- MODIFIED VERSION OF WHAT A BOARD AGENDA ITEM PRESENTATION ITEM USUALLY LOOKS LIKE. WE HAD SOME SPECIFIC PARTS TO HOW THE HEARING MIGHT GO AND SOME SPECIFIED DOCUMENTS TO ENSURE THAT PROPER NOTICE IS MADE AND THAT A PROPER RECORD IS DEVELOPED. AND THOSE ITEMS ARE REALLY DETAILED IN THE AGENDA ITEM ITSELF.

ONE OF THE OTHER THINGS THAT STAFF IS PROPOSING IS THAT THESE HEARINGS ON ENFORCEMENT BE ONE HEARING DIRECTLY BEFORE THE BOARD AS OPPOSED TO COMING THROUGH THE COMMITTEE FIRST. AND THAT'S, AGAIN, FOR -- TO DEAL WITH ISSUES OF RESOURCES AND TRAVEL COSTS AND THE LIKE. THE JURISDICTIONS WE ARE DEALING WITH ARE PRIMARILY RURAL JURISDICTIONS, SO HAVING TO TRAVEL TWICE IN ONE MONTH TO ESSENTIALLY DO THE SAME HEARING WE THOUGHT WAS NOT AN APPROPRIATE PROCEDURE TO SUGGEST.

WE'RE TALKING ABOUT SOME BASIC NOTICE DOCUMENTS TO GIVE DATE, TIME AND PLACE, AND THE LIKE, SOME BASIC DETAILS ABOUT WHAT THE HEARING WILL BE ABOUT AND WHAT INFORMATION THE JURISDICTIONS CAN PROVIDE TO THE BOARD IN ITS DETERMINATION, WITH SERVICE OF THAT NOTICE ON THE

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1 MAYOR FOR THE CITIES AND THE CHAIRMAN OF THE BOARD
2 OF SUPERVISORS FOR COUNTIES. AND THAT, AGAIN,
3 PARALLELS THE OFFICIALS THAT WE'VE BEEN NOTIFYING
4 THROUGHOUT THE PROCESS OVER THE COURSE OF THE LAST
5 YEAR.
6 AND WE'RE SPECIFYING AT THIS POINT
7 THAT THEY WOULD GET AT LEAST 30 DAYS' NOTICE PRIOR
8 TO HEARINGS. SO WITH THE TYPICAL BOARD MONTHLY
9 MEETINGS, THAT'S ACTUALLY GOING TO MEAN IN MOST
10 CASES IT WILL BE CLOSE TO TWO MONTHS' WORTH OF
11 NOTICE FOR THE JURISDICTIONS BECAUSE OF THE
12 SCHEDULING ISSUES THAT WE USUALLY DEAL WITH.
13 AND AGAIN, I ALLUDED TO, AND I'M
14 JUST GOING TO -- I'M NOT GOING TO READ THESE OFF,
15 BUT JUST TO SHOW THESE ON THE BOARD, WHAT WE'VE
16 SET OUT A LITTLE BIT MORE DETAILING THAN THE
17 AGENDA ITEM, JUST A SERIES OF STEPS THE HEARING
18 WOULD GO THROUGH IN TERMS OF WITNESSES, HOW
19 PRESENTATIONS WILL BE MADE, WHAT PARTS ARE PLAYED
20 BY DIFFERENT MEMBERS OF STAFF, RIGHT THROUGH
BOARD
21 DECISION, AND AN ISSUANCE OF AN ORDER.
22 VERY QUICK OVERVIEW OF THE
23 PROCEDURES THAT WE'RE TALKING ABOUT. IN
ADDITION,
24 WHAT WE'RE PROPOSING IS WHAT UNFORTUNATELY I'VE

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25 CALLED CRITERIA FOR PENALTIES, FOR LACK OF A

BETTER WORD. AND I WISH I HAD A BETTER WORD TO USE FOR CRITERIA BECAUSE IT IMPLIES PERHAPS SOME SORT OF FORMULA FOR DETERMINING FINES, AND THAT'S NOT WHAT IS BEING PROPOSED.

IN FACT, THE CRITERIA AS PROPOSED IN THE AGENDA ITEM ARE BASICALLY A LIST OF ISSUES THAT STAFF HAS IDENTIFIED AS THE TYPICAL TYPE OF INFORMATION THE BOARD WOULD WANT TO HAVE IF IT'S CONSIDERING A POTENTIAL FINE FOR A JURISDICTION FOR FAILURE TO SUBMIT THEIR SRRE OR NDFE.

AND SO WHAT THE CRITERIA HAS PROPOSED, MEANING THIS IS INFORMATION THAT STAFF IS PROPOSING WE WILL MAKE SURE IS AVAILABLE TO THE BOARD AS PART OF OUR PRESENTATION IN THE HEARING, THESE ARE FAIRLY COMMON SENSE. LATENESS OF ELEMENT, WHICH ELEMENT ARE WE TALKING ABOUT. FOR INSTANCE, IS IT THE SRRE, THE NDFE, HOW THAT'S AFFECTED THE JURISDICTION'S IMPLEMENTATION OF PROGRAMS, AND SIMILAR TYPE OF INFORMATION, ECONOMIC SITUATION OF THE JURISDICTION.

ONE OTHER THING I WANTED TO MENTION ABOUT THIS PROCEDURE IS THAT IT IS SPECIFICALLY JUST FOR THE ENFORCEMENT HEARINGS FOR FAILURE TO FILE AN ELEMENT AS OPPOSED TO ENFORCEMENT PROCEEDINGS THAT MIGHT ENSUE FOR FAILURE TO

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IMPLEMENT PROGRAMS. THE FAILURE TO FILE SCENARIO IS FAIRLY SIMPLE IN TERMS OF THE ELEMENT EITHER WAS OR WASN'T FILED, AND MOST OF THE FOCUS IS ON WHY. THERE'S NOT A LOT OF FACTUAL DISPUTE INVOLVED.

SO, FOR INSTANCE, ONE OF THE THINGS THAT'S NOT IN THE HEARING PROCEDURE IS AN ENTRY FOR CROSS-EXAMINATION OF WITNESSES BECAUSE IT'S NOT THAT TYPE OF A HEARING. WE WILL AT SOME FUTURE POINT IN TIME BE COMING FORWARD WITH SOME ADDITIONAL PROCEDURES FOR DEALING WITH IMPLEMENTATION ENFORCEMENT HEARINGS.

BOARD MEMBER CHESBRO: MAY I? NO. 4 WAS NATURE OF THE DOCUMENT, WAS IT NOT?

MR. BLOCK: YES.

BOARD MEMBER CHESBRO: AND INCLUDED IN THAT IS ESSENTIALLY TECHNICAL SHORTCOMINGS THAT INVOLVE SUCH THINGS AS WHETHER THE NOTICE WAS ADEQUATE FOR THE MEETING -- MANY OF THESE HAVE SUBSTANTIAL PROBLEMS, OTHERS HAVE PROBLEMS THAT CAN BE MADE TO APPEAR ANYWAY AS RATHER MINOR. BUT THEY'RE STILL TECHNICAL, LEGAL ISSUES THAT HAVE TO BE RESOLVED IN ORDER FOR THESE DOCUMENTS TO GO FORTH.

AND I WAS PLANNING AT THE END, BUT

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SINCE WE'RE ON THIS LIST NOW, I'LL THROW IN RIGHT NOW, IF IT'S OKAY, THAT WE NEED TO CONSIDER -- NOT AS A FORMAL BOARD MATTER NOW, JUST AS DISCUSSION WITH STAFF AND MAYBE BACK AT COMMITTEE -- ENCOURAGING WAYS TO RESOLVE THAT BESIDES GOING TO THIS HEARING PROCESS. WAYS TO -- THAT'S WHAT JUST HAPPENED WITH UNION CITY, YOU KNOW, FIGURED OUT HOW TO FIX THAT PROBLEM AND GET THE PROBLEM OUT OF THE WAY WITHOUT GOING THROUGH THE -- I THINK -- ULTIMATELY, I HOPE THAT THE MORE SERIOUS SIDE HEARING, PUBLIC HEARING AND ENFORCEMENT PROCESS WILL WIND UP BEING RESERVED FOR THOSE THAT CLEARLY HAVE SUBSTANTIAL PROBLEMS AND THAT WE CAN CONTINUE TO FIND WAYS TO SKIM OFF AND TAKE CARE OF ONES WITH MORE MINOR TECHNICAL PROBLEMS.

MR. DILLON: I SHOULD SAY I THINK WHEN WE'RE TALKING ABOUT STAFF MONITORING COMPLIANCE WITH COMPLIANCE SCHEDULES, ASSUMED IN THAT IS WHERE THERE IS, LET'S CALL IT, A MINOR GLITCH OR PROBLEM, THAT WE WILL CONTINUE TO WORK WITH THE JURISDICTIONS. IN OTHER WORDS, IF FOR SOME REASON A DOCUMENT IS GOING TO TAKE AN EXTRA WEEK TO GET TO US, IT DOESN'T MAKE A LOT OF SENSE TO GO IMMEDIATELY TO THE FORMAL ENFORCEMENT HEARING. HOWEVER, IF THAT'S NOT THE NATURE OF THE PROBLEM,

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THEN WE WANT TO BE ABLE TO GO STRAIGHT TO THAT PROCESS.

BOARD MEMBER CHESBRO: I DIDN'T ANTICIPATE THAT STAFF WAS GOING TO BE RUNNING OFF TRYING TO SET UP PUBLIC HEARINGS FOR THOSE KINDS OF PROBLEMS, BUT I WANTED TO ANSWER THE QUESTION BEFORE I GOT ASKED EITHER BY THE BOARD OR LOCAL JURISDICTIONS WHO ARE GOING TO SAY, GEE, OUR PROBLEM IS THIS LITTLE TECHNICAL GLITCH AND YOU'RE GOING TO HIT US WITH THIS BIG OLD SLEDGEHAMMER. AND I WANT TO GET THAT OUT ON THE TABLE THAT THAT'S NOT THE DIRECTION WE'RE TRYING TO GO WITH THIS. THIS IS THE ULTIMATE SORT OF FALLBACK DETERRENT IF SOMEBODY IS NOT TRYING TO FIX THOSE PROBLEMS, BUT IT'S NOT GOING TO BE A PRIORITY FOR US TO PUT THOSE KIND OF PROBLEMS OUT THERE FOR PUBLIC HEARINGS.

MR. DILLON: AS ALWAYS, STAFF WILL CONTINUE TO WORK WITH ALL LOCAL GOVERNMENTS TO ACHIEVE COMPLIANCE AND TO WORK THROUGH THEIR ISSUES WITH THEM. I THINK WE HAVE AN OUTSTANDING RECORD OF DOING THAT, THE BOARD AND THE STAFF, AND WE'LL CONTINUE TO DO THAT.

CHAIRMAN PENNINGTON: THANK YOU.

MR. DILLON: WITH THAT, WE'D JUST

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RECOMMEND THE BOARD ADOPT RESOLUTION 97-147 REGARDING THE HEARING PROCEDURES AND CRITERIA FOR PENALTY UNLESS YOU HAVE SOME OTHER QUESTIONS.

BOARD MEMBER CHESBRO: MOTION.

CHAIRMAN PENNINGTON: OKAY. MR. CHESBRO MOVES ADOPTION OF 97-147.

BOARD MEMBER FRAZEE: SECOND.

CHAIRMAN PENNINGTON: MR. FRAZEE SECONDS. ANY FURTHER DISCUSSION? IF NOT, WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: AYE.

ALL RIGHT. WE JUST HAVE A SHORT TIME BEFORE WE'RE TO BREAK. IF THE BOARD DOESN'T OBJECT, I WOULD LIKE TO TAKE UP ITEM ADDENDUM 1,

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1 WHICH IS CONSIDERATION OF A NEW STANDARDIZED
2 PERMIT FOR THE GALLO VINEYARDS COMPOSTING
FACILITY
3 IN FRESNO.
4 MS. ROSALES: GOOD MORNING. I'M
VIRGINIA
5 ROSALES WITH THE PERMITS BRANCH. THIS IS THE
NEW
6 STANDARDIZED COMPOSTING PERMIT FOR THE GALLO
7 VINEYARDS FACILITY IN FRESNO COUNTY. THE
OPERATOR
8 IS GALLO VINEYARDS. THE LANDOWNER IS E.J. GALLO
9 WINERY.
10 GALLO VINEYARDS CURRENTLY OPERATES
11 AN AGRICULTURAL MATERIALS COMPOSTING OPERATION
12 UNDER THE NOTIFICATION TIER. THEY'RE PROPOSING
TO
13 EXPAND THEIR OPERATIONS INTO THE SALES OF THE
14 COMPOSTING MATERIALS THAT ARE PRODUCED AT THE
15 SITE.
16 GALLO WINERY OWNS 157 ACRES OF
LAND,
17 OF WHICH APPROXIMATELY 93 WILL BE USED FOR THE
18 COMPOSTING PROJECT. COMPOSTING OPERATIONS WILL
BE
19 ON A 40-ACRE PAD, WHICH IS CONSTRUCTED OF HIGHLY

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COMPACTED NATIVE SOILS. AN ADDITIONAL 40 ACRES WILL BE HELD IN RESERVE FOR FUTURE COMPOSTING PROJECTS, AND 13 ACRES WILL BE USED FOR STORAGE OF FINISHED PRODUCT, FEEDSTOCKS AND THE FEEDSTOCK PROCESS.

FEEDSTOCK MATERIALS INCLUDE THE

WINERY BYPRODUCTS, THE LARGEST SINGLE COMPONENT BEING THE GRAPE HUMUS AND STEMS, AND CLEAN GREEN MATERIAL. THE COMPOSTING METHOD IS AERATED WIND ROW. THE FACILITY HAS A SELF-PROPELLED WIND ROW TURNER, WHICH WILL MIX THE MATERIALS AS NEEDED TO MAINTAIN THE AEROBIC COMPOSTING CONDITIONS. THE PROCESSED WATER WILL MAINLY CONSIST OF WINERY WASTEWATER.

THE FACILITY WILL RECEIVE A DAILY PEAK LOADING OF 3,100 CUBIC YARDS, NOT TO EXCEED AN ANNUAL LOADING OF 660,000 CUBIC YARDS. DUST IS CONTROLLED BY WATER AND MICRO SPRINKLER IRRIGATION. ODOR WILL BE CONTROLLED BY OPERATIONAL AND PROCESS ADJUSTMENTS; FOR EXAMPLE, THE ADDITION OF BULKY MATERIAL TO THE GRAPE HUMUS, TURNING AND AERATION OF THE WIND ROW. OTHER ENVIRONMENTAL CONTROLS ARE ADDRESSED IN THE REPORT OF COMPOST SITE INFORMATION.

THE LEA AND STAFF HAVE DETERMINED THESE CONTROLS, IF APPLIED, WILL MEET THE STATE MINIMUM STANDARDS. BOARD STAFF HAVE REVIEWED THE PROPOSED PERMIT AND SUPPORTING DOCUMENTATION AND FIND THE COSWMP AND CONFORMANCE PLAN ARE ACCEPTABLE. THE FRESNO COUNTY PUBLIC WORKS DEPARTMENT, ACTING AS THE LEAD AGENCY, PREPARED A

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MITIGATED NEGATIVE DECLARATION FOR THE PROPOSED PROJECT ON OCTOBER 17TH, 1996. A NOTICE OF DETERMINATION WAS FILED WITH THE COUNTY CLERK ON DECEMBER 27TH, 1996. STAFF FINDS THE ENVIRONMENTAL DOCUMENTATION APPROPRIATE FOR THE BOARD'S CONSIDERATION.

THEREFORE, STAFF RECOMMENDS THE BOARD ADOPT PERMIT DECISION 97-151 AND CONCUR IN THE ISSUANCE OF THE STANDARDIZED COMPOSTING PERMIT NO. 10-AA-0182. THIS CONCLUDES STAFF'S PRESENTATION. THE LEA, MR. STEVE RHODES, IS PRESENT IF YOU HAVE ANY QUESTIONS.

CHAIRMAN PENNINGTON: OKAY. ANY BOARD MEMBERS HAVE ANY QUESTIONS OF STAFF OR THE LEA?

MR. FRAZEE, I MEAN, MR. RELIS?

BOARD MEMBER RELIS: I'LL MOVE WE CONCUR.

CHAIRMAN PENNINGTON: OKAY. MR. RELIS HAS MOVED CONCURRENCE.

BOARD MEMBER FRAZEE: SECOND.

CHAIRMAN PENNINGTON: MR. FRAZEE HAS SECONDED. ANY FURTHER DISCUSSION? IF NOT, WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

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BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: AYE.

I THINK WE WILL NOW RECESS UNTIL 1:30.

(LUNCH RECESS WAS TAKEN.)

CHAIRMAN PENNINGTON: CALL THE MEETING OF THE INTEGRATED WASTE MANAGEMENT BOARD. I'LL RECONVENE THE APRIL MEETING OF THE INTEGRATED WASTE MANAGEMENT BOARD. WE'RE GOING TO DEVIATE FROM THE AGENDA A LITTLE BIT AND GO TO OPEN DISCUSSION. WE HAVE TWO PEOPLE THAT WISH TO MAKE REMARKS ON THE OPENING DISCUSSION. I WOULD ASK THEM BOTH TO REMEMBER THAT WE STILL HAVE A LONG AGENDA AHEAD OF US, AND WE WOULD LIKE TO GET IT DONE, SO I WOULD ASK YOU TO BE AS BRIEF AS POSSIBLE AND MOVE AS QUICKLY AS POSSIBLE.

THE FIRST PERSON THAT WILL ADDRESS THE BODY IS MR. HY WEITZMAN, WHO HAS BEEN

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A

LONG-TIME MEMBER OF THE WASTE INDUSTRY AND LOBBYEST FOR THE INDUSTRY AND IS THE VICE PRESIDENT OF GOVERNMENT AND PUBLIC RELATIONS FOR THE ENVIRONMENTAL TIRE TECHNOLOGY FIRM, WHICH APPARENTLY THE BOARD SOME TIME AGO GAVE A $100,000 GRANT TO.

MR. WEITZMAN?

MR. WEITZMAN: BOARD MEMBERS AND LADIES AND GENTLEMEN, CAN WE CONTACT THE YOUNG LADY THAT IS RUNNING THE -- SUPPOSED TO HAVE A SHOWING HERE OF A FILM. WE'RE MODERN ENVIRONMENTAL TECHNOLOGIES, INCORPORATED. AND IN 1997, THIS YEAR, MODERN ENVIRONMENTAL TECHNOLOGIES WILL BUILD THE FIRST NONPOLLUTING TIRE RECYCLING PLANT IN THE UNITED STATES. AT THE PRESENT TIME IT WILL BE BUILT ON 6.7 ACRES IN THE AGUA MANZA RECYCLING MARKET DEVELOPMENT ZONE. THIS ZONE CONSISTS OF PORTIONS OF THREE CITIES: COLTON, RIALTO, AND RIVERSIDE, AND PORTIONS OF SAN BERNARDINO AND RIVERSIDE COUNTIES.

NOW, THIS PARTICULAR PROJECT IS NINE YEARS OLD. PARDON ME. IT'S SEVEN YEARS OLD. WE STARTED IT IN 1990 AND WE HAVE FOUR PARTNERS. AND JOINING ME IS GOING TO BE OUR CHIEF FINANCIAL OFFICER, MR. JOHN MIKOWITZ. MR. MIKOWITZ HAS

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1 TAKEN MANY FIRMS PUBLIC, AND THIS PARTICULAR
ITEM,
2 THIS FIRM IS GOING TO --
3 CHAIRMAN PENNINGTON: I THINK THAT'S
YOUR
4 FILM THAT'S TRYING TO COME ON THERE.
5 MR. WEITZMAN: I WAS JUST KILLING
TIME
6 UNTIL IT CAME ON.
7 CHAIRMAN PENNINGTON: THERE WE GO.
8 (FILM WAS SHOWN.)
9 MR. WEITZMAN: WE'RE JUST GOING TO
TAKE
10 FIVE MINUTES TO SAY TWO THINGS. JOHN, WOULD
YOU
11 COME HERE FOR A MOMENT. THIS IS OUR CHIEF
12 FINANCIAL OFFICER, JOHN MIKOWITZ. HE'S TAKEN
MANY
13 PROJECTS WORLDWIDE, HAS BEEN VERY SUCCESSFUL
WITH
14 THEM, AND HE IS GOING TO TAKE THIS PROJECT THE
15 SAME WAY.
16 WHAT I WANT TO TELL YOU, BOARD
17 MEMBERS, IS THIS: THAT YOU WERE KIND ENOUGH
TO
18 GIVE THIS SMALL, STRUGGLING FIRM OF FOUR

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PEOPLE

19 $100,000 TO MARKET THIS TO SEE IF IT WAS

POSSIBLE.

20 WE'RE NOW PREPARED TO BUILD FIVE PLANTS IN

21 CALIFORNIA, AND EACH PLANT IS GOING TO GET RID

OF

22 3,000,000 TIRES A YEAR. THAT'S 15,000,000

TIRES

23 THAT WILL BE BUILT BY THESE FIVE PLANTS.

24 WE HAVE A NUMBER OF CITIES

BIDDING

25 FOR THIS BECAUSE PEOPLE ARE GOING TO COME FROM

ALL

1 OVER THE WORLD, ALL OVER THE UNITED STATES. I
2 WANT TO SAY THANK YOU TO THE BOARD FOR HAVING
3 FAITH IN US, AND THIS SHOWS THOSE OF YOU HERE,
4 LADIES AND GENTLEMAN, WHAT THIS BOARD CAN DO.
IT
5 CAN CREATE BUSINESS, IT CAN CREATE A BETTER
6 CALIFORNIA, WHICH THEY'VE DONE FOR MANY YEARS,
AND
7 I AM PROUD FOR THE PART THAT I HAVE PLAYED IN
8 BRINGING THIS BOARD ABOUT.
9 NOW I WOULD LIKE MR. MIKOWITZ JUST
10 TO SAY THE HEART OF THE MATTER WHICH YOU HEARD
ON
11 THE FILM ABOUT THE REASON THIS IS THE BEST
12 POSSIBLE SOLUTION TO THE TIRE PROBLEM.
13 MR. MIKOWITZ: THANK YOU, BOARD, AND
14 THANK YOU, MEMBERS. I APPRECIATE THE
OPPORTUNITY
15 TO GIVE YOU AN IDEA OF WHAT IS OUT THERE THAT IS
16 KEPT THE BEST SECRET IN THE WORLD. EVERYBODY
HAS
17 A SOLUTION TO TIRE RECYCLING. YOU CHIP TIRES,
PUT
18 THEM IN A LANDFILL, THAT'S RECYCLING. YOU TAKE
A
19 TIRE, PUT IT IN A KILN, BURN IT UP, THAT'S

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20 RECYCLING. OUR APPROACH IS TO TAKE THAT TIRE
AND
21 WHATEVER IT TOOK TO BUILD THAT TIRE, EXTRACT ALL
22 THOSE ITEMS AND MAKE THEM REUSABLE AGAIN AT A
VERY
23 SMALL COST. THAT'S REALLY TRUE RECYCLING.
24 AGAIN, I WANT TO THANK EVERYBODY
FOR
25 THE OPPORTUNITY OF VIEWING THIS FILM. IF
SOMEBODY

HAS ANY QUESTIONS, WE HAVE PASSED OUT A BUNCH OF BROCHURES. WE WOULD BE GLAD TO TALK TO ANYBODY. IF ANYBODY HAS ANY QUESTIONS, I WOULD BE GLAD TO ANSWER THEM.

CHAIRMAN PENNINGTON: THANK YOU. ANY QUESTIONS? THANK YOU VERY MUCH.

NOW WE'RE GOING TO HEAR FROM MR. JOE HARICH, AND I ASK MR. HARICH IF HE, TOO, COULD BE AS BRIEF AS POSSIBLE.

MR. HARICH: YES, SIR.

CHAIRMAN PENNINGTON AND HONORABLE BOARD, MY NAME IS JOE HARICH. I LIVE UP IN RUNNING SPRINGS, AND RECENTLY I HAVE SEMI-RETIRED FROM THE SOLID WASTE INDUSTRY, WORKING IN IT FOR ABOUT 20 YEARS AND RUNNING A SUCCESSFUL RECYCLING CENTER AND TRANSFER STATION IN RUNNING SPRINGS.

I HAVE COME HERE TO BRING UP TWO ISSUES TO PROMOTE THE RECYCLING ISSUES. FIRST, I WOULD LIKE TO DISCUSS SOME OF THE HISTORY AND THE BACKGROUND OF THE INDUSTRY, AND IN SAN BERNARDINO COUNTY 15 YEARS AGO, THE FEES WERE $2.25 TO HANDLE SOLID WASTE. AND THEY INCREASED UP TO, HERE A FEW YEARS AGO, $36.50 AND $35 LAST YEAR AND NOW THEY'RE DOWN TO $33 A TON. IT'S INTERESTING, THOUGH, IN 15 YEARS THAT THE FEES HAVE GONE

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UP

1500 PERCENT, WHICH IS AN AVERAGE OF ABOUT A HUNDRED PERCENT A YEAR.

SO SOMEWHAT I'M HERE AS ONE TO SUPPORT RECYCLING, BUT ALSO PERHAPS MOST TO SUPPORT THE TAXPAYERS AS WELL. IT SEEMS LIKE THROUGHOUT ALL THESE DISCUSSIONS THE TAXPAYER SEEMS TO BE LEFT OUT ON THE ADVANTAGE OF PLUS OR MINUS TO THEM.

AND I FIND IT INTERESTING THAT THE FEES HAVE BEEN COMING DOWN THE LAST COUPLE OF YEARS BECAUSE OF THE ORANGE COUNTY BOONDOGGLE WHERE THEY WENT BANKRUPT, THEY NEEDED TO SELL THEIR LANDFILL SPACE, AND SO THEY BECAME REAL COMPETITIVE IN THEIR FEES. SO WE HAVE TO REALLY GIVE CREDIT TO THEIR BOONDOGGLES TO START PROMOTING FEES DOWN TO -- IN HELPING THE TAXPAYER. AND WITH THAT, IT CREATED A LOT OF COMPETITION AND REALLY THE FIRST STEP IN COMPETITION BECAUSE OF A BANKRUPTCY.

I HAVE TO GIVE CREDIT TO NORCAL'S OPERATION IN TAKING OVER AND RUNNING THE SOLID WASTE OPERATION. THEY'RE A GOOD FIRM, AND ESPECIALLY SUSAN PATANI, WHO IS DOING A GREAT JOB ON THE EDUCATION PROGRAM AND PROMOTING RECYCLING.

SO I WOULD LIKE TO SUGGEST A

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SOLUTION IN SOLVING THESE PROBLEMS IS TO HAVE JUST ONE REGULATORY AGENCY, THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD, TO DO THIS IN A ONE-STOP PROGRAM. THERE'S A LOT OF STATES THAT DO THIS, INCLUDING OREGON, IN WHICH JUST ONE AGENCY HANDLES THE WHOLE THING FROM BEGINNING TO END.

AND I APPRECIATE YOUR PROGRAM BUT LOTS OF LUCK. YOU'VE BEEN, WHAT, SEVEN YEARS TRYING TO PROMOTE THIS. THROUGH ALL THE REGULATORY AGENCIES, IT WILL BE VIRTUALLY IMPOSSIBLE TO ACHIEVE YOUR GOAL. AND THAT'S A SAD COMMENTARY BECAUSE THERE'S FAR MORE REGULATORS THAN THERE ARE RECYCLERS. YOU'VE HEARD THIS STORY BEFORE, BUT I WOULD LIKE TO SEE ABOUT SUPPORTING AND PROMOTING THIS.

ISSUE NO. 2 IS RECYCLING HAS BECOME EXPENSIVE AND YOU SEE IN THE WASTE NEWS, LIKE LAST WEEK, WHERE WASTE MANAGEMENT AND THESE DIFFERENT COMPANIES ARE DUMPING RECYCLING. ALL THE CITIES ARE OBJECTING TO PROMOTING OR OPPOSED TO RECYCLING FEES, WHICH IS REALLY SAD, AND SO I'M SUGGESTING A SOLUTION TO THIS. YOU LOOK AT, LIKE, FOR EXAMPLE, AND I'LL BRING UP THE TIRE SITUATION BECAUSE MY COMPANY WORKED ON THE FIRST INITIAL RECYCLING EXPERIMENTS WITH THE CEMENT PLANTS, AND I SHIPPED

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20,000 TIRES OUT OF RUNNING SPRINGS TO PORTLAND CEMENT TO TEST IF BURNING THE TIRES WOULD PRODUCE CEMENT. AND THEY THOUGHT THIS WAS GREAT, AND THEY TALKED ABOUT NOT HAVING ANY COST TO IT AT ALL BECAUSE TIRES BURN AT 16,000 BTU'S, WHICH WAS A GREAT FUEL.

AND A LOT OF PEOPLE DON'T KNOW THIS, BUT THERE ARE SEVERAL PLANTS IN CALIFORNIA THAT BURN -- LIKE THE CEMENT PLANT IN LUCERNE THAT BURNS A QUARTER MILLION TONS OF COAL EVERY YEAR. AND THERE ARE SEVERAL OF THESE PLANTS IN CALIFORNIA. WHERE TIRES BURN MUCH CLEANER, YOU NEED MUCH LESS TONNAGE OF IT TO PRODUCE CEMENT.

BUT THE REGULATORS GOT INTO IT WHERE IN TALKING TO FRIEND OF MINE, WHO HAS THE LARGEST READYMIX COMPANIES IN SOUTHERN CALIFORNIA, HE WAS TELLING ME, YOU MEAN THE CEMENT PLANTS CHARGE TO BURN THE TIRES? HE SAYS, THAT'S ODD. MY GOD, THEY SHOULD PAY YOU FOR THE TIRES. BUT THE REGULATORY AGENCY, THEY GOT INTO IT AND THERE'S SO MANY REGULATIONS ON IT, THEY CHARGE TO MAKE MONEY ON IT, WHICH REALLY SEEMS STUPID.

THE SAME WAY WITH OIL. GOSH, WE USED TO GET 50 CENTS A GALLON FOR USED OIL. NOW YOU HAVE TO PAY A BUCK, BUCK AND A HALF WHEN THE

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NEW LAWS WENT INTO EFFECT A FEW YEARS AGO. NOW IT'S REVERSED. YOU HAVE TO PAY FOR IT.

SO I WOULD LIKE TO SUGGEST A SOLUTION AS AN INCENTIVE FOR THE OPERATOR, WHETHER IT'S THE CITY OR THE COUNTY OR PRIVATE OPERATORS. AND I WILL GIVE YOU SOMEWHAT THE MECHANICS OF IT. AS THE TRASH TRUCKS COME THROUGH THE SCALE HOUSE AND THEY PAY $35 A TON OR WHATEVER THE COUNTY'S FEE IS, IF THAT OPERATOR, WHETHER IT'S A CITY OR COUNTY, RECYCLES AND BRINGS THE TRUCK BACK OUT, THAT COUNTY OR CITY SHOULD GET THAT FULL TIPPING FEE. AND THE LOGIC OF IT IS IF IT DIDN'T GET BURIED, YOU KNOW, AND IT DIDN'T CREATE METHANE OR POLLUTION OR WHATEVER, THE REGULATORY AGENCY SHOULDN'T GET THAT FEE. IT OUGHT TO GO TO THE RECYCLER.

AND RIGHT NOW ALL THOSE HUGE FEES THAT ARE ATTACHED, THIS 1500 PERCENT THAT I'M TALKING ABOUT, THERE ISN'T ONE DIME OF IT THAT GOES TO RECYCLING. AND IT'S A TRAVESTY. AND I LOOK AT -- MY SON'S A REGISTERED CIVIL ENGINEER WHO SPECIALIZES IN LANDFILLS, IN LINER DESIGNING, AND HE RUNS ALL THESE LANDFILLS IN MEXICO. AND ALL OF THEIR RECYCLING, THEIR BIG QUANTITY, OCCURS AT THE LANDFILL. OF COURSE, THERE IT'S FOR PEOPLE

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TO SURVIVE. THERE ARE THE PICKERS THAT PICK, AND HE HAS SEVERAL HUNDRED PEOPLE THAT PICK. OF COURSE, IT'S A DIFFERENT CULTURE AND A DIFFERENT REASON, FOR SURVIVING, BUT THE CONCEPT WOULD WORK. AND THIS IS REALLY WHERE MUCH OF THE RECYCLING SHOULD OCCUR, AT THE LANDFILL, AND PICK IT OUT.

SO I KNOW THAT THIS IS SOMEWHAT OF A COMEDY RELIEF THAT I AM HERE AND SUGGEST THAT WE REDUCE ALL THE REGULATORS DOWN TO JUST ONE AGENCY, SINCE MUCH OF THE ROOM IS WITH REGULATORS, BUT THE DOZEN OR MORE AGENCIES THAT HAVE BEEN CREATED THAT ARE SUCKING BLOOD OUT OF THE TAXPAYER ON THIS, I REALLY THINK IT'S TIME FOR SOMEBODY TO TAKE NOTICE OF THIS. THANK YOU, BOARD.

CHAIRMAN PENNINGTON: THANK YOU VERY MUCH.

MR. HARICH: QUESTIONS?

CHAIRMAN PENNINGTON: QUESTIONS. I DON'T BELIEVE SO. THANK YOU.

NOW WE'LL MOVE ON TO ITEM 19, CONSIDERATION OF THE SELECTION OF THE RPPC ALL-CONTAINER RECYCLING RATE METHODOLOGY.

CAREN TRGOVCICH.

MS. TRGOVCICH: GOOD AFTERNOON, BOARD MEMBERS. I'M CAREN TRGOVCICH, DEPUTY DIRECTOR OF

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THE WASTE PREVENTION AND MARKET DEVELOPMENT DIVISION.

THE ITEM BEFORE YOU THIS AFTERNOON IS, ONCE AGAIN, CONSIDERATION OF SELECTION OF THE RPPC ALL-CONTAINER RECYCLING RATE METHODOLOGY. I WOULD LIKE TO JUST MAKE TWO POINTS BEFORE I TURN THE PRESENTATION OVER TO JOHN NUFFER OF THE DIVISION, WHO WILL BE LEADING THE DISCUSSION ON THIS ITEM.

THE FIRST POINT IS TO MAKE THE DISTINCTION THAT THIS ITEM IS AROUND A METHODOLOGY SELECTION AS OPPOSED TO A RATE SETTING ITEM. THE SEQUENCE OF EVENTS THAT WE WOULD LIKE TO LAY OUT FOR YOU IS THAT ONCE THE BOARD ADOPTS A PROPOSED METHODOLOGY, EITHER THE NEXT MONTH OR THE MONTH AFTER, DEPENDING ON THE METHODOLOGIES ADOPTED FOR BOTH THE NUMERATOR AND THE DENOMINATOR AND THE AMOUNT OF TIME IT WOULD TAKE THEM TO SET A RATE OR CALCULATE A RATE BASED ON THOSE METHODOLOGIES, WILL BE BROUGHT BEFORE THE BOARD. SO THIS MONTH IS THE METHODOLOGY SELECTION, AND SUBSEQUENT MONTHS YOU WILL BE SEEING THE ACTUAL RATE

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23 CALCULATION COMING BEFORE YOU.

24 THE OTHER POINT I WOULD LIKE TO MAKE

25 IS THAT THE PURPOSE OF THIS ITEM IS THE SELECTION

OF A METHODOLOGY, BUT WHAT WE WANT TO MAKE SURE THAT YOU'RE AWARE OF IS THE METHODOLOGY NEEDS TO APPLY TO CALENDAR YEAR 1996, CALENDAR YEAR 1997, AND POTENTIALLY FUTURE YEARS AS WELL. PART OF THE CONTRACT THAT YOU WILL HEAR DESCRIBED SHORTLY WAS TO CALCULATE A COST-EFFECTIVE METHODOLOGY FOR PURPOSES OF CALCULATING THE RATE FOR 1996 AND BEYOND.

THE BOARD MAY WANT TO CONSIDER OPTIONS AS IT LOOKS AT THE PROPOSED METHODOLOGY FOR NUMERATOR AND DENOMINATOR, WHICH MAY VARY IN FUTURE YEARS. HOWEVER, WE NEED TO KEEP IN MIND THAT WHAT WE REALLY NEED TO BE ABLE TO GET TO IS THE RATE CALCULATION FOR 1996, PRIOR YEAR, AND CURRENT YEAR 1997.

WITH THAT, I WOULD LIKE TO TURN THE PRESENTATION OVER TO JOHN NUFFER.

MR. NUFFER: THANK YOU, CAREN. MR. CHAIRMAN AND BOARD MEMBERS, GOOD AFTERNOON.

MY NAME IS JOHN NUFFER WITH THE WASTE PREVENTION AND MARKETING DEVELOPMENT DIVISION. WITH ME TODAY IS SUSIE HABERLAND FROM CASCADIA CONSULTING GROUP. WE'RE TRYING TO GET THE SCREEN BROUGHT UP, BUT I THINK I'LL CONTINUE AND SEE WHAT HAPPENS.

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WE'RE HERE TODAY TO RECOMMEND COST-EFFECTIVE METHODS FOR DETERMINING BOTH THE NUMERATOR AND DENOMINATOR OF THE RIGID PLASTIC PACKAGING CONTAINER RECYCLING RATE FOR 1996 AND SUBSEQUENT YEARS. STAFF RECOMMENDS CALCULATING THE NUMERATOR USING EITHER A STAFF SURVEY OF PROCESSORS, IF WE CAN GET HELP FROM ANOTHER STATE AGENCY, OR A CONTRACTOR, OR BY ADJUSTING 1995 RECYCLING DATA IF WE CAN'T GET THAT HELP.

WE RECOMMEND CALCULATING THE DENOMINATOR BY EXTRAPOLATING 1996 RPPC GENERATION FROM 1995 DATA. ON APRIL 16TH OF THIS MONTH, THE LOCAL ASSISTANCE AND PLANNING COMMITTEE ADOPTED STAFF'S RECOMMENDATION FOR CALCULATING THE NUMERATOR, BUT DID NOT TAKE ACTION ON CALCULATING THE DENOMINATOR.

AS BACKGROUND, I'LL FIRST DESCRIBE THE PROCESS THAT WAS FOLLOWED TO ARRIVE AT STAFF'S RECOMMENDATION. SUSIE WILL THEN DESCRIBE THE ADVANTAGES AND DISADVANTAGES AND DATA REQUIREMENTS OF EACH OF THE FINAL EIGHT ALTERNATIVES THAT WERE CONSIDERED. THERE ARE ADVANTAGES AND DISADVAN-TAGES WITH ALL THE METHODS WE ANALYZED. THERE IS

NO PERFECT METHOD. IN OTHER WORDS, THERE IS NO

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25 METHOD WHICH IS VERY ACCURATE AND INEXPENSIVE.

SINCE BOTH THE INTERESTED PARTIES AND CASCADIA WEIGHTED QUALITY DATA MORE HEAVILY THAN COST AND SINCE THE BOARD'S BUDGET IS DECLINING, STAFF BELIEVED IT WAS IMPORTANT TO BALANCE QUALITY OF DATA WITH THE COST OF COLLECTING IT YEAR AFTER YEAR.

THE BOARD CONTRACTED WITH CASCADIA CONSULTING GROUP IN JULY 1996. THE PURPOSE OF THE CONTRACT WAS TO HELP THE BOARD EVALUATE POTENTIAL METHODS FOR CALCULATING BOTH THE NUMERATOR AND THE DENOMINATOR OF THE RPPC RECYCLING RATE, TO RECOMMEND A COST-EFFECTIVE METHOD FOR EACH TO THE BOARD, AND TO DETERMINE THE 1996 ALL-CONTAINER RECYCLING RATE.

TO ASSIST IN THIS EFFORT, THE BOARD CONVENED A GROUP OF INTERESTED PARTIES. THESE PARTIES INCLUDED PLASTIC RECYCLERS, RECLAIMERS, AND PRODUCT MANUFACTURERS, THE AMERICAN PLASTICS COUNCIL, NAPCOR, CALIFORNIANS AGAINST WASTE, THE DEPARTMENT OF CONSERVATION, DIVISION OF RECYCLING, AND WASTE MANAGEMENT, INC., AMONG OTHERS.

AT A MEETING OF THESE INTERESTED PARTIES ON JANUARY 8TH OF THIS YEAR, CASCADIA PRESENTED NINE POTENTIAL METHODS FOR CALCULATING THE NUMERATOR OF THE RECYCLING RATE AND NINE

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METHODS FOR CALCULATING THE DENOMINATOR OF THE RECYCLING RATE. AS YOU RECALL, THE NUMERATOR IS THE AMOUNT OF RPPC THAT IS RECYCLED; THE DENOMINATOR IS THE TOTAL AMOUNT OF RPPC GENERATED; IN OTHER WORDS, DISPOSED AND RECYCLED.

AT THAT JANUARY MEETING THE INTERESTED PARTIES FIRST DEVELOPED CRITERIA FOR EVALUATING POTENTIAL METHODS. THESE CRITERIA INCLUDED ACCURACY, DEFENSIBILITY, PRECISION, AFFORDABILITY, REPEATABILITY, AND THE ABILITY TO VALIDATE. THEY RANKED AND WEIGHTED EACH OF THE CRITERIA. THEY THEN REDUCED THE LIST OF 18 POTENTIAL METHODS TO EIGHT, FIVE METHODS FOR CALCULATING THE NUMERATOR AND THREE FOR CALCULATING THE DENOMINATOR. SUSIE WILL DISCUSS THE ADVANTAGES AND DISADVANTAGES OF THESE METHODS IN A MINUTE.

THE INTERESTED PARTIES ELIMINATED THOSE THEY CONSIDERED TO BE GROSSLY INACCURATE OR TOO EXPENSIVE. WITH THOSE CRITERIA IN MIND, CASCADIA EVALUATED THE ADVANTAGES AND DISADVANTAGES OF THE EIGHT REMAINING METHODS. CASCADIA'S EVALUATION INCLUDED DATA AND STAFF REQUIREMENTS. THE EVALUATION WAS SUMMARIZED IN A DRAFT REPORT. CASCADIA PRESENTED THAT REPORT TO THE INTERESTED

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PARTIES AGAIN AT A SECOND MEETING ON MARCH 20TH. THE INTERESTED PARTIES THEN SEPARATELY RANKED THE FIVE METHODS FOR CALCULATING THE NUMERATOR AND THE THREE FOR CALCULATING THE DENOMINATOR.

FROM THIS RANKING THEY RECOMMENDED THAT THE BOARD USE ANY ONE OF THREE METHODS FOR THE NUMERATOR AND ONE METHOD FOR THE DENOMINATOR. THEY RECOMMENDED THAT THE BOARD NOT CALCULATE A RECYCLING RATE IF IT DOES NOT CHOOSE ONE OF THOSE METHODS. AFTER THE MARCH 20TH MEETING STAFF SENT A SUMMARY TO EACH OF THE INTERESTED PARTIES.

AND NOW SUSIE IS GOING TO DESCRIBE EACH OF THE EIGHT METHODS THAT WERE ANALYZED.

MS. HABERLAND: I'M GOING TO BRIEFLY DESCRIBE THE METHODOLOGIES THAT WE EVALUATED. AS JOHN MENTIONED, WE STARTED OFF WITH A LIST OF EIGHTEEN THAT WERE NARROWED DOWN TO EIGHT, FIVE FOR THE NUMERATOR AND THREE FOR THE DENOMINATOR. THE FIVE METHODS THAT WE LOOKED AT FOR CALCULATING THE RPPC NUMERATOR INVOLVED A VARIETY OF DIFFERENT SURVEY AND EXTRAPOLATION METHODS, SURVEYS TARGETED AT THE RECLAIMER, END USER, EXPORTER, PROCESSORS,

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23 OR RESPONDENTS FROM LAST YEAR'S SURVEYS OR

24 EXTRAPOLATION METHODS.

25 METHODS 1 THROUGH 3 ALL TARGET THE

RECLAIMER, END USER, AND EXPORTER PORTION OF RESPONDENTS. AND JUST TO CLARIFY WHAT WE MEAN, RECLAIMERS ARE DEFINED AS THOSE ENTITIES INVOLVED IN WASHING, FLAKING, AND GRINDING. FOR END USERS WE'RE REFERRING ONLY TO THOSE ENTITIES WHO MANUFACTURE A PRODUCT USING UNWASHED, RECOVERED PLASTIC, SUCH AS PLASTIC LUMBER. WE'RE NOT TALKING ABOUT MANUFACTURERS WHO ARE USING RECLAIMED PLASTICS AS THEIR FEEDSTOCK FOR THEIR PRODUCT. EXPORTERS ARE THOSE ENTITIES WHO SHIP RPPC BALES OVERSEAS.

FOR METHOD 1, WHICH IS CALLED CIWMB STAFF CONDUCTS SURVEY, THIS IS REALLY A SURVEY OF THE RECLAIMER, END USER, AND EXPORTERS THAT WOULD BE CONDUCTED IN-HOUSE BY CIWMB STAFF. IT'S A CENSUS SURVEY; AND AS WITH ANY CENSUS SURVEY, THE RESPONSE IS MORE ACCURATE WITH THE HIGHER LEVEL OF RESPONSE RATES. YOUR GOAL IS TO ACHIEVE 100-PERCENT RESPONSE RATE.

IF THIS METHOD WERE CONDUCTED, STAFF WOULD BE RESPONSIBLE FOR DEVELOPING AND MAINTAINING A CONTACT LIST, CREATING THE SURVEY INSTRUMENT, AND ADMINISTERING THAT SURVEY, CONDUCTING THE ANALYSIS, AND SO FORTH. THIS IS A

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25 SIMILAR SURVEY AS WAS CONDUCTED LAST YEAR, THE

DIFFERENCE BEING THAT STAFF WOULD CONDUCT THIS SURVEY AS OPPOSED TO A CONTRACTOR.

THE ADVANTAGES OF THIS METHOD ARE THAT STAFF WOULD HAVE ACCESS TO THE PRIMARY DATA INSTEAD OF HAVING TO RELY ON A CONTRACTOR TO OBTAIN INFORMATION OR IF THERE ARE QUESTIONS ABOUT DATA, TO EXPLORE THAT DATA IN MORE DETAIL. STAFF WOULD ALSO GAIN VALUABLE INSIGHT INTO THE PLASTICS RECYCLING INDUSTRY, WHICH HAS CONSEQUENCES FOR FURTHER MARKET DEVELOPMENT ACTIVITIES AS WELL.

THE DISADVANTAGES OF THIS APPROACH ARE THAT IN ORDER FOR RECLAIMERS, END USERS, OR EXPORTERS TO PROVIDE SENSITIVE INFORMATION TO BOARD STAFF, THEY WOULD NEED TO HAVE CONFIDENTI-ALITY ASSURANCES, AND THEY NEED TO TRUST THAT THE

DATA THAT THEY PROVIDE WON'T GET LEAKED. OR NOT NECESSARILY LEAKED, OR HAVE -- OTHER ENTITIES WOULDN'T HAVE ACCESS TO THAT DATA.

THE CONTACT LIST IS ALSO DIFFICULT TO MAINTAIN WITHOUT EXPERT KNOWLEDGE OF THE INDUSTRY. IF STAFF WERE TO CONDUCT THIS SURVEY, THE RESPONSE RATE IS LIKELY TO BE SIGNIFICANTLY LOWER THAN THE 1995 RESPONSE RATE FOR THE RECLAIMER, END USER, AND EXPORTER SURVEY.

METHOD 2 IS A REPEAT OF LAST

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YEAR'S

RECLAIMER, END USER, AND EXPORTER SURVEY, WHICH WAS CONDUCTED BY R.W. BECK. THE INITIAL CONCEPT WAS TO PARTNER WITH A NATIONAL SURVEY. APC CONDUCTS A SURVEY ANNUALLY, AND THE IDEA WAS JUST TO PIGGYBACK ONTO THAT SURVEY AND ASK A FEW ADDITIONAL QUESTIONS ABOUT CALIFORNIA.

IN FURTHER EXPLORATION OF THAT METHOD, THAT'S NOT POSSIBLE FOR TWO REASONS: ONE, THE SCHEDULE DOESN'T ALLOW THAT AND, TWO, THE DEFINITION OF RPPC'S NECESSITATES A COMPLETELY SEPARATE SURVEY. AGAIN, THIS IS A CENSUS SURVEY. CIWMB STAFF WOULD HAVE A ROLE MANAGING THE CONTRACT WITH THE CONTRACTOR; BUT ONCE AGAIN, IT IS A DIFFERENT SURVEY THAN THE NATIONAL SURVEY.

THE ADVANTAGES OF THIS APPROACH ARE THAT THE CONTRACTOR IS EXPERIENCED AND HAS ESTABLISHED RELATIONSHIPS WITH THE SURVEY RECIPIENTS DUE TO THE NATIONAL RECYCLING RATE SURVEY AND HAVE OBTAINED A HIGH LEVEL OF COOPERATION AND A HIGH RESPONSE RATE FROM RECLAIMERS NATIONALLY. IT'S A REPEAT OF ONE OF THE APPROACHES USED LAST YEAR WHICH WON WIDESPREAD SUPPORT FROM THE RECYCLING RATE ADVISORY COMMITTEE.

THE DISADVANTAGES, AS I MENTIONED

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BEFORE, ARE THE DEFINITION OF RPPC'S AND SCHEDULE CONFLICTS NECESSITATE A SEPARATE SURVEY, AND ANOTHER DISADVANTAGE, WHICH ALSO APPLIES TO METHODS 1 AND 3, ARE THAT EXPORT QUANTITIES ARE SIGNIFICANTLY UNDER REPORTED. THE DEGREE TO WHICH THIS UNDER REPORTING OCCURS IS DIFFICULT TO GAUGE, BUT THERE WAS CONSENSUS ON THE PART OF AMERICAN PLASTICS COUNCIL, R.W. BECK, AND CASCADIA THAT THESE QUANTITIES WERE UNDER REPORTED LAST YEAR ON THE RECLAIMER, END USER, EXPORTER LEVEL. THIS APPROACH IS EXPENSIVE, BUT RESULTS ARE CREDIBLE AND DEFENSIBLE, AND LAST YEAR'S RESULTS ARE A TESTIMONY TO THAT.

METHOD 3 WOULD BE FOR A CIWMB STAFF TO SURVEY THE RESPONDENTS FROM LAST YEAR'S RECLAIMER, END USER, AND EXPORTER SURVEY. FORTY-EIGHT RESPONSES WERE OBTAINED LAST YEAR. CIWMB WOULD FOLLOW UP WITH THOSE 48 RESPONDENTS AND OBTAIN INFORMATION ABOUT CURRENT YEAR RECYCLING ACTIVITIES FOR 1996, 1997, 1998.

THE ADVANTAGES, IT'S A RELATIVELY SMALL SAMPLE SIZE OF 48, SO IT'S VERY MANAGEABLE AND THE CONTACT LIST IS EASY TO MANAGE BECAUSE IT NEVER CHANGES. THE DISADVANTAGE IS THAT YOU'RE NOT ACCOUNTING FOR THE FACT THAT PLAYERS ENTER AND

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LEAVE THE MARKETPLACE, SO YOU'RE PERHAPS EXCLUDING SOME SIGNIFICANT PLAYERS BY CHOOSING TO ONLY LIMIT YOUR SURVEY TO THOSE WHO HAVE ALREADY RESPONDED. THIS IS THE LEAST ACCURATE OF THE FIVE NUMERATOR OPTIONS BECAUSE IT FAILS TO ACCOUNT FOR CHANGES IN THE INFRASTRUCTURE.

METHOD 4 IS A SURVEY OF THE RPPC PROCESSORS. BY PROCESSORS WE'RE DEFINING THESE TO BE ENTITIES WHO SORT AND/OR BALE RPPC'S. AND FOR THIS METHOD CIWMB STAFF OR A CONTRACTOR WOULD CONDUCT A SURVEY OF THE CALIFORNIA PROCESSORS WHO HANDLE RPPC'S. AS WITH THE RECLAIMER, END USER, EXPORTER SURVEY, THIS IS A CENSUS SURVEY, SO THE HIGHER LEVEL OF RESPONSE RATE YOU OBTAIN, THE HIGHER YOUR ACCURACY WILL BE.

THE ADVANTAGE OF THIS METHOD IS THAT PROCESSORS ARE MORE LIKELY TO COOPERATE WITH THE CIWMB STAFF THAN ARE RECLAIMERS, END USERS, AND EXPORTERS, PRIMARILY BECAUSE THE PROCESSORS HAVE A FAMILIARITY OF BOARD ACTIVITIES. IT ALSO MORE DIRECTLY MEASURES CALIFORNIA RPPC RECYCLING. RECLAIMERS NATIONALLY ARE OBTAINING MATERIALS FROM CALIFORNIA AS WELL AS OTHER STATES, AND IT'S SOMETIMES DIFFICULT FOR THEM TO EXTRACT WHICH PORTION OF THE MATERIALS THEY'RE HANDLING ARE

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COMING FROM CALIFORNIA.

THE DISADVANTAGES ARE THAT IN THE ANALYSIS PORTION OF THE SURVEY YOU MUST ACCOUNT FOR DOUBLE COUNTING. IN THE STATE BALES ARE GETTING BALED, SORTED, AND REBALED, AND YOU MUST MAKE SURE THAT YOU'RE NOT COUNTING THE SAME MATERIAL TWICE. AND AS WITH THE RECLAIMER, END USER, EXPORTER SURVEY, CONFIDENTIALITY ASSURANCES MUST BE GIVEN TO THE RESPONDENTS. THIS IS THE MOST ACCURATE METHOD IF HIGH RESPONSE RATES ARE OBTAINED, ALTHOUGH IT'S VERY DIFFICULT TO OBTAIN HIGH RESPONSE RATES.

METHOD 5 IS AN ADJUSTMENT OF THE 1995 RPPC RECYCLING DATA. TO DO THIS WE WOULD SPLIT THE RECYCLING QUANTITY FROM 1995 INTO THREE SEPARATE SUBTOTALS, ONE FOR PET, ONE FOR PRIVATE COLLECT PROGRAM RECYCLING. PRIVATE COLLECT PROGRAMS INCLUDE FACILITIES SUCH AS DROPOFFS, COMMERCIAL COLLECTION PROGRAMS, BUY-BACK CENTERS, AND SO FORTH. THE THIRD SPLIT WOULD BE MUNICIPAL CURBSIDE COLLECTION PROGRAMS. IN COMBINING THE DATA FROM THE 1995 STUDY WITH UPDATED INFORMATION FROM THE DEPARTMENT OF CONSERVATION, WE WOULD REBUILD UP THE 1996 OR 1997 RECYCLING QUANTITY.

THE ADVANTAGE IS THAT THIS APPROACH

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IS STRAIGHTFORWARD AND USES A BLEND OF ADJUSTMENT FACTORS TO REFLECT CHANGES IN RPPC RECYCLING INFRASTRUCTURE IN THE STATE. THE DISADVANTAGE IS THAT IT CAN ONLY BE USED TO CALCULATE AN AGGREGATE RATE, AND IT LOSES ACCURACY OVER THE YEARS WITHOUT DOING SOME DATA CHECKS ON THE DATA FROM 1995, PARTICULARLY IN THE AREA OF THE PRIVATE RECYCLING ACTIVITIES.

THE APPROACH IS COST EFFECTIVE AND EASILY REPEATED, BUT ACCURACY SUFFERS IN THE FUTURE YEARS. AGAIN, WITHOUT SPECIFICALLY GOING OUT AND DOING SOME RESEARCH ON CHANGES IN THE PRIVATE RECYCLING -- LEVELS OF RECYCLING IN PRIVATE RECYCLING FACILITIES, THE OPPORTUNITIES FOR ERROR ARE INTRODUCED INTO THIS METHOD.

SWITCHING OVER TO THE DENOMINATOR, WE EVALUATED THREE METHODS. ONE WAS TO CONDUCT A WASTE COMPOSITION STUDY, ONE WAS TO PRORATE THE NATIONAL RESIN SALES DATA, AND THE THIRD WAS TO EXTRAPOLATE THE 1996 RPPC GENERATION USING THE 1995 DATA. CONDUCTING A WASTE COMPOSITION STUDY WOULD BE A REPEAT OF THE STUDY OR SIMILAR STUDY AS WAS CONDUCTED LAST YEAR, USING A CIWMB APPROVED PROTOCOL. AND THIS COULD BE CONDUCTED EITHER BY CIWMB STAFF OR A CONTRACTOR. THE WASTE COULD BE

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1 SAMPLED ACROSS THE STATE TO DETERMINE THE QUANTITY
2 OF RPPC'S DISPOSED; AND TO DETERMINE THE QUANTITY
3 GENERATED, YOU WOULD ADD THE QUANTITY YOU DISPOSED
4 TO THE QUANTITY YOU RECYCLED.
5 THE ADVANTAGES OF THIS METHOD IS IT
6 DIRECTLY MEASURES THE QUANTITY OF RPPC'S BEING
7 DISPOSED IN CALIFORNIA, AND IT COULD BE COMBINED
8 WITH THE BROADER WASTE CHARACTERIZATION STUDY AT
9 LITTLE ADDITIONAL COST. THE DISADVANTAGES ARE THE
10 TIMING. IT'S TOO LATE TO USE FOR CALCULATING THE
11 1996 RATE AND MOST LIKELY FOR CALCULATING THE 1997
12 RATE.
13 BOARD MEMBER CHESBRO: MAY I ASK YOU A
14 QUESTION ABOUT THAT?
15 MS. HABERLAND: YES.
16 BOARD MEMBER CHESBRO: WHEN WE WERE
17 DETERMINING THE PREVIOUS RATE, WERE WE ABLE TO
18 COMPLETE ALL OF THOSE SURVEYS DURING THE CALENDAR
19 YEAR, THE SURVEYS THAT WE WERE MEASURING THE RATE
20 FOR?
21 MS. HABERLAND: THE SURVEYS OCCURRED OVER

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THE SUMMER OF 1995 AND EARLY 1996.

BOARD MEMBER CHESBRO: SO THEY DID GO

INTO JANUARY AND FEBRUARY OF 1996?

MS. HABERLAND: YES.

THE OTHER DISADVANTAGE IS THAT THE TOTAL DISPOSAL FIGURE IS COMPILED BY THE BOARD OF EQUALIZATION. THERE WAS A LOT OF DISCUSSION AROUND THIS NUMBER WITH THE RECYCLING RATE ADVISORY COMMITTEE LAST YEAR, AND IT'S POSSIBLE THAT THERE WOULD BE A LOT OF DISCUSSION AROUND THAT NUMBER AGAIN THIS YEAR. THE APPROACH IS TIME-CONSUMING AND COSTLY, BUT IT'S VERY ACCURATE.

METHOD 7 IS PRORATING THE NATIONAL RESIN SALES DATA, AND THIS WOULD BE TO TAKE DATA FROM THE SPI RESIN SALES DATA AND MAKE SEVERAL ADJUSTMENT FACTORS FOR THINGS SUCH AS MANUFACTURING AND DISTRIBUTION LOSS TO COME UP WITH AN ESTIMATE OF RPPC GENERATION IN CALIFORNIA. TO DO THIS YOU NEED TO TAKE MEASUREMENTS OF MANUFACTURING DISTRIBUTION LOSS, IMPORT, EXPORT, ETC., AND DO THAT FROM THE CHAIN OF THE RESIN SALE ALL THE WAY DOWN TO THE BOTTLE OR RPPC GENERATION. IT'S VERY DIFFICULT TO DO WITHOUT DOING A LOT OF INDEPENDENT RESEARCH. THIS IS A METHOD THAT THE BOARD STAFF EVALUATED LAST YEAR, IN AUGUST, AND DETERMINED THAT IT WAS NOT FEASIBLE WITHIN CURRENT COST CONSIDERATIONS.

THE ADVANTAGES OF THIS METHOD ARE THAT NATIONAL RESIN SALES DATA ARE COLLECTED

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CONSISTENTLY BY SPI USING KIND OF ACCOUNTING-BASED PRINCIPLES. THE DISADVANTAGES ARE THAT YOU ARE RELYING ON NATIONAL DATA ABOUT RAW MATERIAL SALES TO INFER CALIFORNIA SPECIFIC INFORMATION ON PRODUCT AND ASSOCIATED PACKAGING SALES. IF DONE CORRECTLY, IT'S EXTREMELY EXPENSIVE BUT ALSO ACCURATE. IF NOT DONE WELL, IT'S HIGHLY INACCURATE.

METHOD 8 IS -- THE CONCEPT IS SIMILAR TO THE PRORATING OF THE NATIONAL RESIN SALES, BUT INSTEAD OF TRYING TO MEASURE AT EACH POINT ALONG THE WAY WHERE THERE COULD BE LOSSES, THE IDEA IS TO COMPARE THE RESULTS FROM THE 1995 STUDY ON RPPC'S GENERATED TO NATIONAL RESIN SALES FOR THOSE RESINS THAT GO INTO MANUFACTURING RPPC'S. SO THE IDEA IS TO DETERMINE THE RATIO OF THE MEASURED RPPC GENERATION TO THE RESIN SALES FOR THE SALES CATEGORIES AND THE SPI DATA THAT APPROXIMATE THE RPPC DEFINITION.

AND JUST A NOTE OF CLARIFICATION HERE, THE INTERESTED PARTIES WERE VERY ADAMANT THAT IF THIS APPROACH IS USED, THAT WE USE THE SPI DATA AS OPPOSED TO DATA IN SUCH PUBLICATIONS AS "MODERN PLASTICS" AND SO FORTH. THOSE PUBLICATIONS TEND TO MAKE ADJUSTMENTS ON THE DATA OR USE

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PARTIAL YEAR DATA TO INFER TOTAL YEAR SALES INFORMATION.

THE RATIO OBTAINED FROM 1995 WOULD THEN BE APPLIED TO THE 1996 SALES DATA FOR THE SAME RESIN CATEGORIES. AND THE ONE IMPORTANT PART OF THIS METHOD IS THAT THE RESIN SALES CATEGORIES MUST REMAIN CONSTANT FROM YEAR TO YEAR, OR YOU'D HAVE TO GO BACK AND CALCULATE YOUR RATIO.

THE ADVANTAGES OF THIS METHOD ARE THAT NATIONAL RESIN SALES ARE COLLECTED CONSISTENTLY BY SPI; AND BY LOOKING AT THE SALES DATA, YOU'RE ALSO TAKING INTO ACCOUNT HOW RESINS CHANGE IN THEIR APPLICATIONS. THE APPROACH IS ALSO STRAIGHTFORWARD.

THE DISADVANTAGES ARE THAT YOU'RE NOT RELYING ON PRIMARY DATA COLLECTED IN CALIFORNIA IN THE GIVEN CALENDAR YEAR, AND THE REPORTING CATEGORIES ARE NOT CONSISTENT WITH THE DEFINITION OF THE RPPC'S. SO YOU'RE MAKING SOME GUESSES ABOUT WHICH CATEGORIES TO INCLUDE VERSUS WHICH CATEGORIES TO EXCLUDE. THIS APPROACH IS THE MOST COST-EFFECTIVE APPROACH FOR THE DENOMINATOR, BUT MAY LOSE ACCURACY OVER THE YEARS.

WITH THAT, I WILL TURN IT BACK

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OVER
25 TO JOHN.

MR. NUFFER: MR. CHAIRMAN, I'LL BRIEFLY SUMMARIZE FOR YOU. THE INTERESTED PARTIES AND CASCADIA WEIGHTED QUALITY OF DATA MORE HEAVILY THAN COST. THE INTERESTED PARTIES, IN FACT, WEIGHTED QUALITY OF DATA, IN OTHER WORDS, ACCURACY, DEFENSIBILITY, AND PRECISION, AS 12 TIMES MORE IMPORTANT THAN COST. CASCADIA WEIGHTED ACCURACY AND DEFENSIBILITY AS THREE TIMES MORE IMPORTANT THAN COST.

SINCE THE BOARD'S GOAL WAS TO DEVELOP A COST-EFFECTIVE METHODOLOGY FOR CALCULATING THE RPPC RECYCLING RATE AND SINCE THE BOARD'S BUDGET IS LIKELY TO CONTINUE SHRINKING AS WASTE IS SUCCESSFULLY DIVERTED FROM DISPOSAL, STAFF BELIEVES IT'S ALSO IMPORTANT TO BALANCE QUALITY OF DATA WITH THE COST OF COLLECTING IT.

THEREFORE, FOR THE NUMERATOR, STAFF IS RECOMMENDING METHOD 2, A STAFF SURVEY OF CALIFORNIA PROCESSORS. IF WE CAN GET HELP FROM ANOTHER STATE AGENCY OR IF WE CAN GET HELP COLLECTING DATA FROM A CONTRACTOR, THIS IS ONE OF THE THREE METHODS RECOMMENDED BY THE INTERESTED PARTIES. IT WOULD BE THE MOST ACCURATE OF THE THREE NUMERATOR ALTERNATIVES IF WE WERE TO GET A

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25 HIGH SURVEY RESPONSE RATE. IT HAS ABOUT A MEDIUM

PRICE TAG. HOWEVER, IF STAFF CAN'T GET HELP FOR THIS METHOD, THEN WE RECOMMENDED ADJUSTING 1995 RECYCLING DATA. STAFF COULD DO THIS IN-HOUSE, FAIRLY EASILY, AT A RELATIVELY LOW COST.

FOR THE DENOMINATOR, STAFF IS RECOMMENDING METHOD 8, AN EXTRAPOLATION OF THE 1996 RPPC GENERATION DATA. THIS IS CURRENTLY THE MOST AFFORDABLE METHOD OF THE THREE METHODS ANALYZED FOR THE DENOMINATOR. THE INTERESTED PARTIES, HOWEVER, RECOMMENDED CONDUCTING A WASTE COMPOSITION STUDY. BUT BECAUSE OF THE COST OF A WASTE COMPOSITION STUDY, THE INTERESTED PARTIES SUGGESTED DOING IT ONCE EVERY THREE TO FIVE YEARS, AND IT WOULD NOT BE POSSIBLE FOR 1996. THE OTHER ALTERNATIVE, PRORATING NATIONAL RESIN SALES DATA, WOULD ALSO BE EXPENSIVE AND NOT VERY RELIABLE.

THAT CONCLUDES OUR PRESENTATION. WE WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

CHAIRMAN PENNINGTON: QUESTIONS OF THE STAFF? OKAY. FIRST, WE HAVE TWO PEOPLE IN THE AUDIENCE WHO WISH TO ADDRESS THIS.

MR. JOHN SHEDD.

BOARD MEMBER CHESBRO: MR. CHAIRMAN, WHILE HE'S COMING UP, LET ME SAY WE USED TO HAVE THE ARTIST KNOWN AS PRINCE, AND NOW WE HAVE THE

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INTERESTED PARTIES FORMERLY KNOWN AS THE RECYCLING RATE ADVISORY COMMITTEE. I'M NOT SURE WHAT HAPPENED TO THE RECYCLING RATE ADVISORY COMMITTEE. THEY ARE ALL REFERRED TO NOW AS THE INTERESTED PARTIES. SO WE HAVE A NEW EUPHEMISM THAT'S BEEN SOMEHOW DROPPED IN. I'M SURE SOMEBODY CAME UP WITH IT.

MS. TRGOVCICH: I THINK MAYBE JUST TO EXPLAIN VERY BRIEFLY, WHEN WE BEGAN OR INITIATED THE APPROACH FOR 1996 AND BEYOND, WE WENT OUT WITH A BROADER MAILING THAN PRIOR YEARS' RECYCLING RATE ADVISORY COMMITTEE. WE MADE A DECISION THAT WE WERE GOING TO GO OUT TO EVERYONE, SEE IF THERE WERE ANY OTHER INTERESTED PARTIES OUT THERE. THUS, WE JUST MADE A CHANGE SO FOLKS WOULDN'T CONFUSE THE FACT THAT WAS THE MEMBERSHIP. WE HAD MEMBERSHIP PUBLISHED IN PRIOR YEARS. WE JUST MADE AN ATTEMPT TO BROADEN PARTICIPATION.

BOARD MEMBER CHESBRO: SO IT'S A BROADER CONSULTATION. THAT IS A GOOD EXPLANATION. THANK YOU, CAREN.

CHAIRMAN PENNINGTON: MR. SHEDD?

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23 MR. SHEDD: THANK YOU. JOHN SHEDD,

24 PRESIDENT OF TALCO PLASTICS. WE'RE CATEGORIZED,

I
25 BELIEVE, AS A RECLAIMER. I LIKE TO THINK OF

1 MYSELF AS A RECYCLER. WE TAKE PLASTIC FROM THE
2 CURBSIDE COLLECTION PROGRAM THAT'S DELIVERED TO US
3 BY THE MRF'S, AND GRIND IT, WASH IT, AND
4 REPALLETIZE IT.
5 FIRST OF ALL, I WOULD LIKE TO
6 COMPLIMENT CASCADIA. I THINK THAT THEY'RE A VERY
7 CAPABLE GROUP. I THINK THEY UNDERSTAND OUR
8 BUSINESS PRETTY WELL, AND I WANT TO REMIND THE
9 BOARD THAT THE TOP LEVEL PICTURE HERE THAT WE'RE
10 LOOKING AT IS THAT WE ALL AGREE ON HOW TO
11 CALCULATE THE NUMERATOR. THE DENOMINATOR IS A
12 PROBLEM STILL, IN MY OPINION.
13 AND I THINK STAFF, PERHAPS, DID
14 THEIR DUTY IN PRESENTING IT THE WAY THEY DID, BUT
15 TO ME IT LOOKED LIKE IT WAS -- THEY PUT A LITTLE
16 DIFFERENT SPIN ON IT THAN I WOULD HAVE EXPECTED.
17 THEY DID, IN FACT, PRESENT WHAT THE RRAC OR THE
18 INTERESTED PARTY COMMITTEE CAME OUT WITH ON THE
19 NUMERATOR. THAT WAS AFTER ALL THIS WORK AND ALL
20 THIS EVALUATION WE CAME OUT WITH, I BELIEVE, THAT
21 THE RRAC IS GOING TO RECOMMEND THE METHODOLOGY
22 THAT WAS PRESENTED HERE FOR THE NUMERATOR. BUT

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ON

23 THE DENOMINATOR THEY DEPARTED FROM THAT. I

DIDN'T

24 HEAR THEM SAY THAT THE RRAC CHOSE A DIFFERENT
25 METHOD. THE RRAC CHOSE, WITHOUT COMPLETE

KNOWLEDGE OF BUDGETS AND FINANCES, THAT THE BEST METHOD AND THE METHOD THAT WE WOULD LIKE TO SEE WOULD BE A WASTE CHARACTERIZATION STUDY.

WE ALWAYS HEAR THAT WE CAN'T AFFORD THINGS. IN MY BUSINESS THAT'S TRUE EVERY DAY, BUT SOME THINGS NEED TO BE DONE, AND IT'S ALL RELATIVE WHAT YOU CAN AFFORD AND WHAT YOU CAN'T AFFORD. IF WE HAD TO, WE COULD AFFORD, TALCO, A SMALL BUSINESS, COULD AFFORD TO DO A WASTE CHARACTERIZATION STUDY. IF WE HAD TO. AND I SUBMIT THAT THE WASTE BOARD CAN DO A WASTE CHARACTERIZATION STUDY IF THEY DEEM IT NECESSARY, AND THAT'S WHAT THE RRAC DEEMED NECESSARY.

SOME THINGS ARE OUR RESPONSIBILITY, AND I'VE ALWAYS ADMIRED THE WAY THAT THE WASTE BOARD WAS CREATED. IT WAS CREATED AS AN INDEPENDENT, FREE OF THE POLITICAL PROCESS, BOARD. AND I WOULD LIKE TO SEE THAT BE THE CASE IN LOOKING AT OUR PROBLEM ON ESTABLISHING A RECYCLING RATE FOR 1996. I DON'T FOR A MINUTE THINK THAT IF MY PEOPLE WERE TOLD THEY COULDN'T GET IT DONE IN THE BALANCE OF 1996 THAT I WOULD ACCEPT THAT, BUT THAT'S WHAT I HEARD HERE AS A REASON PERHAPS FOR NOT DOING IT.

I BELIEVE THAT THERE WAS ENOUGH

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DISPARITY IN THE OPINIONS OF THE COMMITTEE LAST YEAR AND ENOUGH REASON TO THINK THAT THERE SHOULD HAVE BEEN A FEELING OF CONSENSUS AT THE END OF THE PROJECT, AND THAT WE GLOSSED OVER VERY QUICKLY WHAT THE DENOMINATOR RATE WAS WHEN IT DIDN'T MEASURE UP TO WHAT I THOUGHT, WHAT SOME OF US THOUGHT, WAS GOING TO BE AN INDEPENDENT BENCHMARK. WE LEFT IT FOR THAT REASON TO THE END AND THEN, AGAIN, WITHOUT GOING ON AD NAUSEUM, THE STAFF GLOSSED OVER VERY QUICKLY THE FACT THAT THE BENCHMARK DIDN'T AGREE WITH WHAT THE WASTE CHARACTERIZATION CAME OUT WITH AND WENT AHEAD AND, I THINK, RAILROADED THE PROCESS.

I WANT TO PROPOSE, INSTEAD OF JUST LOOKING AT IT AS ANOTHER WASTE CHARACTERIZATION STUDY FOR THE RECYCLING RATE, I WANT TO ASK THE BOARD WHETHER THEY DON'T THINK THAT A RECYCLING RATE OR A WASTE CHARACTERIZATION STUDY FOR ALL MATERIALS WOULD BE IN THEIR PROVINCE AND DESIRABLE AND SHOULD BE DONE. IF THAT WERE DONE, WE COULD PIGGYBACK THE PLASTICS RECYCLING WASTE CHARACTERIZATION STUDY ON THAT.

DO YOU, IN FACT, HAVE ALL THE INFORMATION THAT YOU NEED FOR PAPER, ALUMINUM,

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25 GLASS AND PLASTIC? DO YOU KNOW WHAT'S GOING INTO

THE WASTE CHARACTERIZATION STUDY? WOULDN'T THAT BE A PROGRAM THAT PERHAPS THE WASTE BOARD COULD SEE FIT TO FINANCE ONE TIME? AND WOULDN'T THAT BE HELPFUL TO YOU IN YOUR BUSINESS?

NOW, I DON'T KNOW THE ANSWER TO THAT, BUT IT SEEMS TO ME LIKE IT WOULD BE. AND RATHER THAN LOOKING AT PLASTICS AS HAVING TO FINANCE THE COST OF A WASTE CHARACTERIZATION STUDY, SHOULDN'T YOU BE THINKING OF DOING IT FOR ALL MATERIALS?

I THINK WE HAVE AGREEMENT ON THE NUMERATOR, AND I FEEL THAT THE STAFF RECOMMENDATION FOR THE DENOMINATOR IS BASED ON FLAWED MATERIAL FROM LAST YEAR. AND IF YOU TAKE FLAWED MATERIAL AND EXTRAPOLATE IT, YOU'RE GOING TO GET A FLAWED ANSWER THIS YEAR. I WOULD LIKE YOU TO GO BACK AND RECONSIDER A UNIVERSAL WASTE CHARACTERIZATION STUDY AND LET PLASTICS RIDE PIGGYBACK ON THAT WITHOUT SADDLING PLASTICS WITH THE TOTAL COST OF A WASTE CHARACTERIZATION STUDY.

THANK YOU.

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22 CHAIRMAN PENNINGTON: QUESTIONS OF

23 MR. SHEDD?

24 THANK YOU, MR. SHEDD.
25 MS. TRGOVCICH: MR. CHAIRMAN, COULD
I

RESPOND TO TWO POINTS THAT MR. SHEDD RAISED? FIRST, MAYBE WE DIDN'T SAY IT LOUD AND CLEAR ENOUGH, BUT WE CERTAINLY APPRECIATE THE SUPPORT OF ALL OF THE INTERESTED PARTIES, ALL THE MEETINGS THEY HAVE ATTENDED. AND JOHN TRIED TO DESCRIBE THE FACT THAT THE STAFF RECOMMENDATION IS DIFFERENT THAN THAT OF THE INTERESTED PARTIES AND DIFFERENT FROM THAT OF CASCADIA AS IT RELATES TO THE DENOMINATOR. I APOLOGIZE IF THAT WASN'T CLEAR ENOUGH.

WE DID APPLY A DIFFERENT SET OF WEIGHTING TO THE FACTORS THAT THE INTERESTED PARTIES HAD PREVIOUSLY DISCUSSED. SO I APOLOGIZE IF THAT WASN'T CLEAR, BUT WE DO WANT TO ACKNOWLEDGE WE DO, IN FACT, DIFFER FROM THE INTERESTED PARTIES.

AND JUST THE SECOND POINT, IF WE COULD AT ALL GET THE WASTE COMPOSITION STUDY DONE, I THINK THAT WE WOULDN'T BE HERE BEFORE YOU SAYING THAT WE COULDN'T. WHAT WE'RE TRYING TO SAY IS IT'S PHYSICALLY IMPOSSIBLE TO DO A WASTE COMP STUDY FOR CALENDAR YEAR 1996, WHICH HAS PASSED.

THANK YOU.

CHAIRMAN PENNINGTON: THANK YOU.

NEXT WE HAVE MR. GEORGE LARSON.

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MR. LARSON: MR. CHAIRMAN, MEMBERS, THANK YOU FOR THE OPPORTUNITY TO SPEAK. I WOULD LIKE TO PREFACE MY COMMENTS WITH A FEW THOUGHTS AND ALSO A DISCUSSION I HAD WITH SUSIE HABERLAND.

I'M CONVEYING TODAY THROUGH A LETTER I DROPPED OFF AT THE BEGINNING OF THE MEETING TO ALL BOARD MEMBERS, MR. CHANDLER, AND ONE COPY TO STAFF, COMMENTS PREPARED BY MR. RON PERKINS, RECYCLING MANAGER FOR APC. HOWEVER, SUSIE BROUGHT TO MY ATTENTION THAT THERE ARE SOME COMMENTS IN THE LETTER THAT CASCADIA FEELS DO NOT ACCURATELY REFLECT THEIR POSITION, PARTICULARLY AS IT RELATES TO RECOMMENDATIONS OF -- THAT APC CONCURRED WITH THAT IN OUR INTERPRETATION WE FELT CASCADIA AT THE TIME CONCURRED WITH.

I THINK THAT WAS GOING ON, FORTUNATE FOR MANY OF YOU, YOU DIDN'T HAVE TO SIT THROUGH A LOT OF THIS. WE DID GO THROUGH A VERY ARDUOUS SCORING PROCESS, WHICH ENDED UP IN A RANKING OF VARIOUS WAYS TO EVALUATE DIFFERENT APPROACHES. AND THAT RANKING COULD BE INTERPRETED TO BE A RECOMMENDATION, BUT IN CASE -- IN THIS CASE IN POINT IT IS NOT; IT'S JUST THE RANKING. AND CASCADIA, TO QUOTE SUSIE, HASN'T REALLY MADE RECOMMENDATIONS.

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BUT WITH THAT IN MIND, WE FEEL THAT THE OUTCOME OF THE LOCAL ASSISTANCE AND PLANNING COMMITTEE MEETING CONFLICTS WITH THE CONSENSUS OF THE INTERESTED PARTIES GROUP. AND IF IT IS NOT TO INCLUDE CASCADIA, THERE ARE A NUMBER OF OTHER INTERESTED PARTIES IN THERE WHO FELT THAT THE PARTNERING OF THE AMERICAN PLASTICS COUNCIL WITH A CONTRACTOR WHO'S DOING THE NATIONAL SURVEY OF RECLAIMERS AND EXPORTERS WOULD HAVE BEEN THE MOST EFFECTIVE WAY TO UNDERTAKE THE NUMERATOR EVALUATIONS.

THAT'S BASED UPON THE EXPERIENCE LAST YEAR THAT COLLECTION OF INFORMATION FROM PROCESSORS, AND PARTICULARLY MRF'S, WERE VERY DIFFICULT TO OBTAIN AND IT REQUIRED A LOT OF FOLLOW-UP. THIS RELATES TO STAFF TIME, IF THE BOARD, IN FACT, IS -- STAFF IS TO CONDUCT SURVEYS AND DO THE FOLLOW-UP. PROCESSORS -- PART OF THE DIFFICULTY IS PROCESSORS REALLY HAVE NOT A LOT OF MOTIVATION TO BE RESPONSIVE AND MAY BE RELUCTANT TO RESPOND TO AN AGENCY THAT REGULATES THEM.

THIRDLY, THE WASTE BOARD, CIWMB STAFF, IS UNLIKELY TO BE ABLE TO GUARANTEE CONFIDENTIALITY DUE TO LAWS THAT EXIST IN THE STATE THAT ALLOW OPEN ACCESS TO THE BUSINESS OF

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STATE AGENCIES. AND THERE MAY BE SOME WAY TO GET AROUND THAT, BUT IT DEFINITELY WAS DISCUSSED AS A PROBLEM DURING THE ENTIRE PROCESS.

PROBABLY A VERY IMPORTANT POINT TO YOU, BOARD AND STAFF, IS IT'S UNLIKELY THAT THERE ARE STAFF TIME AND RESOURCES TO CONDUCT THE SURVEY IN THE MANNER THAT WOULD GET THE LEVEL OF INFORMATION AND DETAIL WE ALL WOULD LIKE TO SEE.

AND TO THE NUMERATOR, THE FINAL POINT, PROCESSORS ARE SUFFERING FROM CORPORATE DOWNSIZING AND LOW RECYCLABLE MATERIALS MARKET, WHICH COULD CONTRIBUTE SIGNIFICANTLY TO A LACK OF COOPERATION TO PARTICIPATE AND PROVIDE INFORMATION. CONVERSELY, WE FEEL THE NATIONAL SURVEY, WHICH IS DONE UNDER SBI THROUGH THE COMMITTEE ON RESIN STATISTICS, HAS A PROVEN TRACK RECORD.

AS WAS NOTED IN PREVIOUS TESTIMONY, IT'S NOT ABSOLUTELY GOING TO ANSWER EVERY QUESTION THAT WE HAVE, BUT WHAT WE'RE LOOKING OUT THERE AT ARE A NUMBER OF ALTERNATIVES, SOME OF WHICH ARE NOT SO GOOD AND SOME WHICH ARE PRETTY GOOD. AT LEAST WE HAVE TO PUT THIS IN THE CATEGORY OF THE INFORMATION THAT IT COLLECTS IS VERY ACCURATE. THE CHALLENGE, OF COURSE, IS TAKING THAT

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INFORMATION AND MAKING IT APPLY TO CALIFORNIA.

THIS METHODOLOGY OR THIS ACTIVITY, INCIDENTALLY, IS APPROVED OR ENDORSED BY THE ASSOCIATION OF POSTCONSUMER PLASTIC RECYCLERS. I CAN APPRECIATE THE BUDGET CONSTRAINTS THAT THE BOARD IS GOING THROUGH, BUT WE FEEL THAT THE RECOMMENDATION OF THE COMMITTEE WAS BASED PRIMARILY ON COST SAVINGS AND AT THE COST OF THE ACCURACY AND DEFENSIBILITY. WE WOULD LIKE VERY MUCH TO SEE AN APPROACH THAT WILL ELEVATE THE IMPORTANCE OF ACCURACY AND DEFENSIBILITY, WHILE STILL CONSIDERING COST AS A CRITICAL FACTOR.

FOR THE DENOMINATOR, APC CONCURS WITH THE CONSENSUS OF THE INTERESTED PARTIES, AND I BELIEVE THE CONSULTANT ALSO, THAT THE EXPENSE OF A STATEWIDE SURVEY, AT LEAST WAS POINTED OUT, WOULD BE POTENTIALLY PROHIBITIVE AND, THEREFORE, NOT JUSTIFIED. THE EXTRAPOLATION OF 1996 RPPC GENERATION DATA AND USING THE RESULTS OF THE 1995 STUDY, I THINK WE ALL DISCUSSED AS BEING FAVORABLE. AT LEAST IT COULD LEAD TO AN ACCURATE

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22 AND DEFENSIBLE ESTIMATE. HOWEVER, AS SUSIE NOTED,

23 APC HAS VERY STRONG FEELINGS ABOUT THE UTILIZATION

24 OF MODERN PLASTICS AS NOT BEING THE APPROPRIATE
25 DATA SOURCE AND THAT THE INFORMATION COMING OUT OF

THE SOCIETY OF PLASTICS INDUSTRIES THROUGH THE COMMITTEE OF RESIN STATISTICS WILL BE MUCH MORE RELIABLE.

AGAIN, AFTER HAVING HEARD THE TESTIMONY, I FEEL LIKE ONE OF THE PEOPLE AROUND THE ELEPHANT WHO DOESN'T REALLY KNOW QUITE WHAT THE OTHER SIDE LOOKS LIKE SOMEWHAT BECAUSE IT'S STILL AS CONFUSING TODAY AS IT WAS THREE YEARS AGO. BUT WITH PERSEVERANCE, APC WOULD BE DELIGHTED TO CONTINUE TO PARTICIPATE IN THE PROCESS OF WHATEVER NAME WE WANT TO CALL THE GROUP OF OPEN INPUT, NOW CALLED THE INTERESTED PARTY, AND LOOK TOWARD WORKING WITH BOARD STAFF, THEIR CONSULTANTS, OTHER STATE AGENCIES, AND INTERESTED PARTIES TO COME TO A RELIABLE CONCLUSION.

I WILL BE GLAD TO ANSWER ANY QUESTIONS.

CHAIRMAN PENNINGTON: ANY QUESTIONS OF MR. LARSON?

BOARD MEMBER RELIS: MR. CHAIR, I HAVE A QUESTION OF STAFF.

CHAIRMAN PENNINGTON: YES, MR. RELIS.

BOARD MEMBER RELIS: GEORGE MENTIONED THAT THERE WAS SOME CONCERN CASCADIA HAD WITH INTERPRETATION. I WONDER, HAVE WE BEEN IN

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COMMUNICATION WITH CASCADIA REGARDING THIS LETTER? I JUST GOT THIS LETTER. I DIDN'T HAVE IT IN MY PACKET, SO I'M JUST READING IT.

MS. TRGOVCICH: WE JUST RECEIVED THE LETTER OURSELVES, SO WE HAVEN'T DISCUSSED IT. I'M SURE SUSIE WOULD BE HAPPY TO GET UP AND DISCUSS IT WITH YOU AS WELL; BUT AS I INTERPRET THE LETTER, WHAT MR. LARSON IS SAYING -- AND I HOPE THIS IS THE POINT YOU'RE TRYING TO MAKE. IF NOT, CORRECT ME -- IS THAT THE RECOMMENDATIONS AROUND THE NUMERATOR AS WE STATED THEM WERE NOT THE RECOMMENDATIONS OF THE INTERESTED PARTIES. I THINK THAT IT IS OUR INTERPRETATION, AND MY PACKET IS RIGHT IN FRONT OF ME SO I DON'T KNOW THE PAGE, BUT I BELIEVE IT'S PAGE 2 OF THE ITEM UNDER THE SELECTION OR IDENTIFICATION OF THE NUMERATOR METHODS.

THE INTERESTED PARTIES RECOMMENDED THAT WE COULD PURSUE ANY OF THE TOP THREE METHODOLOGIES. MAYBE, JOHN, YOU --

MR. NUFFER: THAT'S CORRECT, CAREN. AT THE LAST MEETING OF INTERESTED PARTIES, AFTER SCORING THE FIVE METHODS FOR THE NUMERATOR, THE INTERESTED PARTIES CAME TO THE CONSENSUS THAT USING ANY OF THE TOP THREE SCORED METHODS WOULD BE

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FINE WITH THEM. AND THE ONE WE'RE PICKING IS ONE OF THOSE TOP THREE.

MS. TRGOVCICH: AND I BELIEVE THAT'S ON PAGE 130 OF YOUR PACKET, IN THE MIDDLE OF THE PAGE.

MS. HABERLAND: CASCADIA JUST SAW THE LETTER THIS MORNING AS WELL, AND THE ONLY EXCEPTION WE TAKE IS THAT WE RANKED -- WE DIDN'T GO THROUGH THE SAME RANKING PROCESS AS THE INTERESTED PARTIES DID, SO THEY DID NOT SEE THE RESULTS OF OUR RANKING. SO FOR THEM TO CHARACTERIZE IT -- WHAT OUR RECOMMENDATIONS ARE WITHOUT SEEING THOSE IS THE ONLY EXCEPTION THAT WE TAKE.

CHAIRMAN PENNINGTON: IF I UNDERSTAND CORRECT THEN, THE COMMITTEE AND THE STAFF IS RECOMMENDING STAFF SURVEY RECLAIMERS? AM I --

MR. NUFFER: PROCESSORS. THE STAFF SURVEY OF PROCESSORS, IF WE CAN GET HELP IN DOING THAT. AND IF WE CAN'T, WE RECOMMEND ADJUSTING THE 1995 RECYCLING DATA.

MS. TRGOVCICH: THOSE TWO OF THE TOP THREE METHODOLOGIES THAT THE INTERESTED PARTIES SAID COULD BE USED FOR NUMERATOR.

CHAIRMAN PENNINGTON: WHAT DID THE

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COMMITTEE RECOMMEND?

BOARD MEMBER CHESBRO: WE RECOMMENDED THE FIRST SURVEY, THE STAFF SURVEY, FOR THE NUMERATOR. WE DID NOT ADDRESS THE QUESTION OF PROVIDING THEM NECESSARY CONTRACT MONEY, BUT IT SEEMS TO ME THAT THE BOARD HAS TO AT LEAST INFORMALLY THINK ABOUT THAT IF IT'S GOING TO MOVE FORWARD WITH THE COMMITTEE'S RECOMMENDATION, THAT THERE WOULD BE SOME COST INVOLVED IN ESTABLISHING THE NUMERATOR BY THAT METHOD.

BUT I'M PREPARED TO MOVE THE RECOMMENDATION AS LONG AS THE BOARD MEMBERS UNDERSTAND WE'LL HAVE TO LOOK AT SOME COSTS, HOPEFULLY, WITH ANOTHER STATE AGENCY. I THINK ONE OF THE EXPECTATIONS WAS THAT -- THE EXPENDITURE WOULD BE WITH ANOTHER STATE AGENCY THAT WOULD HAVE THE DATA OR WOULD ASSIST WITH THE DATA.

CHAIRMAN PENNINGTON: YOU'RE MOVING THAT?

BOARD MEMBER FRAZEE: THE NUMERATOR.

BOARD MEMBER CHESBRO: THE NUMERATOR, RIGHT. WE HAD AN AGREEMENT ON THAT.

CHAIRMAN PENNINGTON: YOU MOVE THAT, WE'LL NEED A SECOND.

BOARD MEMBER RELIS: SECOND.

CHAIRMAN PENNINGTON: MR. RELIS WILL

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SECOND.

MS. GOTCH: I'M SORRY. COULD YOU REPEAT THAT?

CHAIRMAN PENNINGTON: HE'S MOVING THAT THE NUMERATOR SHOULD BE THE STAFF SURVEY FOR THE CALIFORNIA PROCESSORS, ITEM 3.

MS. TRGOVCICH: IS THAT -- JUST FOR CLARIFICATION, IS THAT WITH THE FALLBACK, THE SECOND PART TO THE STAFF RECOMMENDATION THAT THE COMMITTEE ADOPTED?

BOARD MEMBER CHESBRO: WELL, I PRESUME YOU WILL -- RALPH OR SOMEBODY WILL BRING FORWARD THE QUESTION OF HOW WE GO ABOUT THIS FROM A COST STANDPOINT; AND IF THE BOARD DECIDES THAT IT CAN'T DO IT FINANCIALLY, I MEAN, THEN WE'D HAVE TO GO TO A FALLBACK POSITION, BUT --

MR. CHANDLER: I THINK YOU'RE CORRECT IN THAT REGARD, AND I THINK CAREN'S QUESTION GOES A BIT FARTHER IN THAT THE STAFF RECOMMENDATION IS IN THE EVENT THAT WE FIND, EVEN AFTER WE'VE ALLOCATED CONTRACT DOLLARS, THAT THERE'S NON -- AND CORRECT ME IF I'M WRONG HERE, CAREN -- IF THERE'S NONRESPONSIVENESS OR WE JUST NOT AREN'T GETTING THE RESULTS WE HAD HOPED TO, THAT WE WOULD HAVE A FALLBACK POSITION OF GOING TO NO. 1.

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IS THAT RIGHT, JOHN?

MR. NUFFER: THAT IS CORRECT.

MR. CHANDLER: IN OTHER WORDS, WE WANTED TO MAKE SURE THAT WE HAD A GUARANTEED BACKUP, IF YOU WILL, IF OUR STAFF SURVEY RESULTS ARE NOT RESPONSIVE TO THAT SURVEY, REGARDLESS OF WHETHER WE HAVE AN IDENTIFIED STATE AGENCY HELPING US, THAT WE WOULD THEN MOVE TO, I BELIEVE IT WAS, NO. 1 IN YOUR PACKET ON 130. AND I WON'T REPEAT IT SINCE IT'S RIGHT THERE.

BOARD MEMBER CHESBRO: THE COMMITTEE DID NOT ADDRESS THAT, AND MY SENSE IS THAT IT WOULD BE -- THE REASON I THINK WE DIDN'T, ALTHOUGH IT WASN'T PUSHED LIKE THIS, YOU KNOW, GEE, YOU NEED TO DECIDE THIS AS WELL, WAS THAT I ASSUMED THAT WE WOULD -- THE COMMITTEE AND BOARD WOULD TAKE A LOOK AT IT AT THAT TIME. IF IT WASN'T WORKING, COME BACK AND SAY THIS ISN'T WORKING NOW. CAN WE GO OFF WITH THIS OTHER OPTION.

MS. TRGOVCICH: THAT WAS -- THE STAFF RECOMMENDATION AT THE COMMITTEE MEETING WAS TO ADOPT THE METHODOLOGIES WITH THE FALLBACK. REMEMBER, ONE OF THE DISADVANTAGES THAT SUSIE DESCRIBED WHEN SHE WENT THROUGH THAT METHODOLOGY WAS THE ABILITY TO GET THOSE KIND OF RESPONSES.

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1 SO WHAT WE WANTED TO BE ABLE TO DO WAS HAVE THAT
2 FALLBACK NOW SO WE KNEW WHAT TO PROCEED WITH
NEXT.
3 BOARD MEMBER CHESBRO: I RECALLED
4 INCORRECTLY THEN, I GUESS. I DON'T REMEMBER
5 REALLY DISCUSSING THAT PART OF THE
RECOMMENDATION.
6 BUT YOU'RE SAYING THAT THE COMMITTEE ACTION
7 INCLUDED THE FALLBACK?
8 MS. TRGOVCICH: IT'S MY UNDERSTANDING
THE
9 COMMITTEE ADOPTED STAFF RECOMMENDATION, AND THE
10 STAFF RECOMMENDATION WAS THE TWO-PART
11 RECOMMENDATION.
12 BOARD MEMBER CHESBRO: OKAY. WE MAYBE
13 INADVERTENTLY DID THAT. BUT THAT BEING THE CASE,
14 I GUESS WE CAN GO AHEAD AND MOVE IT. I WOULD
LIKE
15 TO HAVE THE UNDERSTANDING THAT IT WOULD BE --
16 BEFORE AUTOMATICALLY MAKING THAT DECISION, THERE
17 WOULD BE A REPORT TO THE COMMITTEE ON THE
DECISION
18 TO DO THAT, JUST SO WE'RE ENGAGED IN THAT SWITCH.
19 MS. TRGOVCICH: I WOULD PROBABLY SEE
THAT
20 THE COMMITTEE WOULD BE RECEIVING VERY FREQUENT

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21 REPORTS ON ITS COMMITTEE AGENDA AS THIS PROCEEDS.

22 BOARD MEMBER CHESBRO: SO I GUESS THE

23 MOTION IS TO APPROVE THE COMMITTEE

RECOMMENDATIONS

24 WHICH INCLUDES THE FALLBACK.

25 CHAIRMAN PENNINGTON: SECOND HOLDS.

ARE YOU CLEAR ON THAT, MS. KELLY?

BOARD SECRETARY: UH-HUH.

CHAIRMAN PENNINGTON: OKAY. IF YOU ARE, AND THERE IS NO FURTHER DISCUSSION, YOU WANT TO CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: AYE.

NOW WE NEED TO DO THE DENOMINATOR.

BOARD MEMBER CHESBRO: MR. CHAIRMAN, THE INTERESTED PARTIES, FORMERLY KNOWN AS THE RECYCLING RATE ADVISORY COMMITTEE, FOR THE FIRST TIME IN TWO YEARS I THINK HAD SOME AGREEMENT, IN FACT, IT WAS UNANIMOUS, THAT CONDUCTING A WASTE COMPOSITION STUDY WAS THE BEST OPTION. NOW, THEY

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25 DIDN'T ADDRESS THE COST QUESTION. AND THE

1 COMMITTEE, THE LOCAL ASSISTANCE COMMITTEE, WITH
2 TWO MEMBERS PRESENT, WERE NOT ABLE TO AGREE WITH
3 THE RECOMMENDATION TO THE BOARD ABOUT WHAT TO DO
4 ABOUT THAT.
5 I WOULD LIKE TO POINT OUT, AS I
6 QUESTIONED THE CONSULTANT A LITTLE WHILE AGO, THAT
7 THE DATA FOR THE PREVIOUS RATE WAS COLLECTED IN
8 PART OUTSIDE OF THE YEAR THAT WE WERE TRACKING THE
9 RATE FOR. AND I THINK THAT'S AN IMPORTANT
10 CONSIDERATION THAT WE DIDN'T DISCUSS AT THE TIME
11 WE WERE TRYING TO DETERMINE A RATE.
12 I THINK THAT THERE'S A VERY
13 IMPORTANT QUESTION THAT RELATES TO BROADER BOARD
14 DATA NEEDS AND STATEWIDE DATA NEEDS FOR INTEGRATED
15 WASTE MANAGEMENT IN GENERAL, AND THAT IS WHETHER
16 OR NOT THERE IS -- THERE ARE A RANGE OF USES FOR
17 WASTE GENERATION DATA IN THE STATE THAT COULD BE
18 MET BY A BROADER WASTE GENERATION STUDY THAT COULD
19 HELP TO -- ON THE SIDE, WE COULD PIGGYBACK GETTING
20 THE PLASTICS DENOMINATOR DATA FROM THAT.
21 AND I DON'T THINK THAT WE HAVE

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EXHAUSTED THAT, AND IT IS MY PREFERENCE WE DIRECT STAFF TO SEEK A WAY TO CONDUCT A BROADER WASTE COMPOSITION STUDY TO DEVELOP THE 1996 WASTE GENERATION NUMBER. THAT WOULD INCLUDE TRYING TO

ATTRACT PARTNERS WHO MIGHT HELP TO FUND SUCH A STUDY AND ALSO LOOK AT OTHER BOARD PROGRAMS WHICH MIGHT BENEFIT FROM A BROADER WASTE COMPOSITION STUDY. SO THAT MY MOTION IS TO DIRECT STAFF TO CONDUCT A WASTE COMPOSITION STUDY TO DEVELOP THE 1996 WASTE GENERATION NUMBER AND TO SEEK PARTNERS IN BROADER DATA NEEDS TO UTILIZE THAT STUDY FOR AND ALSO ACCOMPLISH FUNDING.

CHAIRMAN PENNINGTON: MR. CHANDLER, WOULD YOU LIKE TO TELL US THE COST OF DOING SOMETHING LIKE THAT?

MR. CHANDLER: I THINK YOU'RE ALL AWARE BECAUSE THE ITEM LAYS IT OUT, AND I WOULD JUST POINT TO 135. I THINK THAT THE SCORES BY CASCADIA AND THE INDEPENDENT PARTIES ARE PRETTY CLOSE FOR RANKED ITEM NO. 1, WHICH, AS MR. CHESBRO JUST POINTED OUT, WAS TO CONDUCT THE WASTE COMPOSITION SURVEY, ESTIMATED TO BE ABOUT A QUARTER MILLION DOLLARS.

NO. 2 WAS THE EXTRAPOLATION OF THE 1996 RATE OF SIMPLY FIVE POINTS LOWER AT $3,600. I THINK THE POINT I WAS TRYING TO MAKE IS JUST THAT WITH $400,000 OF DISCRETIONARY CONTRACT MONIES AVAILABLE FOR YOUR NEXT YEAR'S BUDGET, I HAVE $800,000 ON MY IN-BASKET RIGHT NOW FROM STAFF

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AND ADVISORS. I THINK AS YOU LOOK AT THE NO. 1 RANKED PROPOSAL OF $250,000, YOU NEED TO BE THINKING ABOUT HOW MUCH OF YOUR NEXT YEAR DISCRETIONARY CONTRACT BUDGET YOU WANT TO DEDICATE TO THIS EFFORT. I WOULD JUST KEEP THAT IN MIND.

THE NARRATIVE AT THE BOTTOM OF 135 DOES SPEAK TO STAFF'S RECOMMENDATION, THAT THE SCORE OF 32 IS FIVE POINTS LOWER THAN THE FIRST RANKED WASTE COMPOSITION SURVEY, AND THAT CASCADIA'S SCORING INDICATES THAT THE EXTRAPOLATION IS A CLOSE SECOND-BEST SOLUTION AT SUBSTANTIALLY LOWER COST. SO THAT'S THE FOUNDATION OF STAFF'S RECOMMENDATION, AND I WOULD JUST WANT TO PUT IT IN CONTEXT TO WHAT KIND OF BUDGET YOU'RE LOOKING AT FOR YOUR NEXT YEAR CONTRACT DOLLARS.

MS. TRGOVCICH: MR. CHAIRMAN, MAYBE TO PROVIDE JUST AS WELL FURTHER INFORMATION TO MR. CHESBRO'S EARLIER QUESTION, SUSIE JUST HANDED ME A MEMO THAT SHE PREPARED IN RESPONSE TO THE QUESTION THAT WAS RAISED IN THE LOCAL ASSISTANCE AND PLANNING COMMITTEE MEETING. THE SAMPLES THAT WERE TAKEN -- THERE WERE 406 SAMPLES TAKEN BETWEEN JULY AND SEPTEMBER OF '95 TO CALCULATE THE '95 -- TO DO THE '95 WASTE COMPOSITION STUDY. AND THEN

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484 SAMPLES WERE TAKEN FROM JANUARY TO FEBRUARY OF '96.

BOARD MEMBER CHESBRO: HALF THE SAMPLES WERE OUTSIDE THE CALENDAR YEAR THAT WE WERE MEASURING.

MS. TRGOVCICH: HALF THE SAMPLES WERE IN THE FIRST TWO MONTHS OF THE FOLLOWING CALENDAR YEAR. AND WE ARE NOW IN THE FOURTH MONTH OF THE SUBSEQUENT CALENDAR YEAR FOR '96.

BOARD MEMBER CHESBRO: I WOULD LIKE TO POINT OUT THAT IT'S JUST AS STATISTICALLY JUSTIFIABLE TO EXTRAPOLATE BACKWARD AS IT IS TO EXTRAPOLATE FORWARD.

BOARD MEMBER RELIS: MR. CHAIR?

CHAIRMAN PENNINGTON: YES.

BOARD MEMBER RELIS: I'M INTERESTED ACTUALLY NOT FOR THIS YEAR BECAUSE I DON'T THINK -- AT LEAST ELABORATE FOR ME, 1996 STAFF HAS SAID YOU COULDN'T -- EVEN IF WE WERE TO WANT TO DO A WASTE CHARACTERIZATION STUDY AND WE BUDGETED TO DO THAT, WE WOULDN'T BE ABLE TO DO THAT? COULD YOU EXPLAIN?

MS. TRGOVCICH: I THINK BASICALLY WHAT WE'RE SAYING, AND THAT JUST GOES ALONG WITH THE CONVERSATION THAT WE WERE JUST CONTINUING WITH, IS

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THAT CALENDAR YEAR 1996 IS OVER AND DONE WITH. THAT WE WOULD BE TAKING SAMPLES -- THE EARLIEST POSSIBLE THAT WE COULD COLLECT SAMPLES LIKELY, GIVEN THE CONTRACT'S PROCESS, AND THAT THIS WOULD BE A 1997-98 CONTRACT, WHICH MEANS THAT FUNDS COULD NOT EVEN BE LET -- CONTRACTS COULDN'T EVEN BEGIN TO GO OUT UNTIL JULY. WE WOULD BE VERY LUCKY TO GET A SAMPLING SEASON IN DURING THE 1997 CALENDAR YEAR FOR A 1996 STUDY.

BOARD MEMBER RELIS: WITH THAT IN MIND, I'M INTERESTED IN PURSUING -- FIRST OF ALL, I THINK THAT THE SHORT TERM IS NOT AN EASY ONE FOR US TO ANSWER BECAUSE I'M NOT WILLING TO COMMIT TODAY TO 250,000 TO DO A WASTE CHARACTERIZATION STUDY WITH THE PRIORITIES AND THE ISSUES FACING US BUDGETARILY AND WITH THOSE CONTRACT DOLLARS, THOSE SCARCE CONTRACT DOLLARS. BECAUSE BOARD MEMBERS HAVE IDEAS ABOUT HOW THOSE SHOULD BE USED THAT I THINK REFLECT A -- MORE FORCEFULLY ON OUR MAIN MISSION ON DIVERSION.

BUT I AM INTERESTED IN LOOKING AT THE POSSIBILITY OF DOING A BROAD WASTE CHARACTERIZATION STUDY BECAUSE I BELIEVE, IF NOT THIS YEAR, NEXT YEAR, AND I REALIZE THE BUDGETARY PROBLEMS ARE VERY REAL, IT IS AN IMPORTANT STEP

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IN

THIS BOARD'S ONGOING ROLE OF UNDERSTANDING HOW IT'S ALLOCATING ITS RESOURCES. AND THE WASTE-STREAM IS LIKELY TO BE CHANGING; IT'S A DYNAMIC STREAM.

SO I DON'T SEE HOW WE COULD DO IT THIS YEAR, BUT I WOULD LIKE TO LOOK INTO, AS AN ALTERNATIVE TO WHAT MR. CHESBRO HAS PROPOSED, TO TASK STAFF WITH LOOKING INTO THAT BROADER CHARACTERIZATION STUDY, A BROADER SOURCE OF FUNDING POSSIBLY FOR IT. BUT I DON'T SEE HOW WE COULD DO IT THIS YEAR.

CHAIRMAN PENNINGTON: WHEN YOU SAY A BROADER STUDY, ARE YOU TALKING MORE IN TERMS LIKE WHAT MR. CHESBRO --

BOARD MEMBER RELIS: YES. I'M INTRIGUED BY MR. SHEDD'S IDEA. I THINK THAT A NARROW FOCUS STRICTLY ON THE PLASTICS STREAM, I THINK, IS IMPORTANT, BUT NOT IMPORTANT ENOUGH TO DO A WHOLE CHARACTERIZATION STUDY. WE WOULD HAVE TO LOOK AT THE BROAD WASTESTREAM, ALL MATERIALS. I THINK THAT'S WHERE ITS USE WOULD BE TO THIS BOARD, ITS PRIMARY USE.

BOARD MEMBER CHESBRO: MR. CHAIR, THE FRUSTRATING THING FROM MY STANDPOINT IS THAT THERE'S BEEN VERY LITTLE DISCUSSION FROM STAFF

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ABOUT OR AT THIS POINT FROM THE BOARD, AMONGST THE BOARD, ABOUT WHO ELSE OUT THERE HAS AN INTEREST IN KNOWING THE WASTE CHARACTERIZATION OF CALIFORNIA. THERE ARE SOME VERY LARGE LOCAL GOVERNMENTS, SUCH AS THE CITY OF LOS ANGELES AND OTHER PLACES, BY WHICH LARGE CHUNKS OF THIS WASTESTREAM MIGHT BE BITTEN OFF AND PAID FOR BY THE LOCAL INTERESTS. THERE'S ALSO POTENTIAL PRIVATE SECTOR PARTNERS, I WOULD THINK, WHO HAVE A VERY REAL INTEREST IN KNOWING WHAT THE BROAD WASTE CHARACTERIZATION OF CALIFORNIA IS.

AND I THINK THAT IT IS DISTINCTLY POSSIBLE THAT WE GET A GREAT BROAD STATEWIDE DATABASE BASED ON SAMPLING. I'M NOT TALKING ABOUT SAMPLING ALL THE WASTESTREAMS IN THE STATE, BUT BASED ON A SELECTED SAMPLE, A SCIENTIFICALLY SELECTED SAMPLE, THAT WOULD NOT PUT ALL THE FINANCIAL BURDEN FOR GENERATING THAT ON THE WASTE BOARD, BUT YET WOULD GIVE US BROAD TOOLS FOR A VARIETY OF WASTE BOARD PROGRAMS BESIDES JUST THE PLASTICS PROGRAM.

I MAY BE WRONG, THAT THERE AREN'T ENOUGH PARTNERS OUT THERE AND THERE ISN'T ENOUGH INTEREST, BUT YOU DON'T KNOW UNTIL YOU TRY. AND I

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25 HAVE A SUSPICION THAT THERE WOULD BE A BROADER

1 INTEREST IN THE PRIVATE SECTOR AND AMONG LOCAL
2 GOVERNMENTS TO PITCH IN AND GENERATE THIS DATA,
3 WHICH THEN COULD BE UTILIZED, I THINK, AS A
4 DATABASE AND EXTRAPOLATED AND BUILT ON FOR A WIDE
5 VARIETY OF PURPOSES.
6 BOARD MEMBER FRAZEE: MR. CHAIRMAN?
7 CHAIRMAN PENNINGTON: YES, MR. FRAZEE.
8 BOARD MEMBER FRAZEE: MY -- FIRST OF
ALL,
9 I WANT TO AGREE WITH MR. RELIS, THAT I THINK THAT
10 AT SOME POINT IN THE PROCESS, IT IS APPROPRIATE
TO
11 DO A BROAD-BASED WASTE CHARACTERIZATION STUDY,
BUT
12 IN THE CONTEXT OF THE ITEM THAT'S BEFORE US WE'RE
13 LOOKING AT THE TIMING. I THINK IT'S AN AMBITIOUS
14 STATEMENT BY CAREN THAT WE COULD BE READY IN
JULY.
15 I WOULD DOUBT THAT, JUST ALL OF THE TIME LINES
16 THAT HAVE TO GO ALONG WITH THAT.
17 AND THEN THAT GETS US INTO MAYBE
18 DOING A WINTER SORT AT BEST IN '97 AND THEN THE
19 OTHER HALF IN '98, SO YOU'RE NOT USING JUST
20 ONE-YEAR-OLD DATA, BUT YOU'RE USING TWO-YEAR-OLD
21 INFORMATION THAT'S ACTUALLY GENERATED IN '98.

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AND

22 BY THAT TIME, HOPEFULLY, WE COULD GET A MORE

23 COMPREHENSIVE STUDY. BUT FOR THE PURPOSES OF

THIS

24 EXERCISE, ANYTHING WE DO, IN MY VIEW, IS GROSSLY
25 INACCURATE. BUT YOU HAVE TO DO YOUR BEST, AND I

THINK THE METHODOLOGY SELECTED BY STAFF IS -- FOR THE DENOMINATOR IS THE BEST WE CAN DO IN GETTING TO THAT POINT WITHIN THE BUDGET.

CHAIRMAN PENNINGTON: I, TOO, WOULD AGREE WITH THAT. PERHAPS WE COULD RESOLVE THIS ISSUE HERE TODAY AND THEN ASK THE STAFF TO LOOK AT A MORE BROAD CHARACTERIZATION STUDY AND TO LOOK AT MR. CHESBRO'S SUGGESTION THAT WE MIGHT FIND SOME OTHER PARTNERS OUT THERE. MAYBE EVEN MR. SHEDD WOULD LIKE TO PARTNER WITH US.

MR. SHEDD: GET APC.

CHAIRMAN PENNINGTON: PERHAPS. TO SEE WHO WE CAN FIND AND IF WE COULD RAISE THE KIND OF FUNDS THAT ARE NEEDED TO DO IT.

BOARD MEMBER CHESBRO: I'M TRYING TO THINK OF HOW TO SAY THIS WITHOUT STIRRING UP A HORNET'S NEST, BUT WE TRIED TO DO THAT WITHOUT GIVING UP CONTROL OVER IT SEVERAL YEARS AGO, MR. SHEDD. IT KIND OF FOUGHT TO A DEADLOCK AND DIDN'T WORK, BUT I APPRECIATED THE SUGGESTION.

MR. CHANDLER: MR. CHAIRMAN, WE'LL DO THAT, AND THE COMMITTEE SEEMS TO BE IN AGREEMENT THAT THE BOARD WOULD BE WELL-SERVED IN A VARIETY OF PROGRAM AREAS WITH A BROADER WASTE CHARACTERIZATION STUDY THAT EMBRACED THE

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PARTNERSHIP APPROACH THAT I THINK MR. CHESBRO IS LOOKING FOR AND GETTING A COMMITMENT AND A CONTRIBUTION TO OUR OBJECTIVES THERE.

SO WE WILL RESEARCH THAT AND BEGIN TO PUT TOGETHER IDEAS ON HOW WE CAN APPROACH LOCAL GOVERNMENT AND INDUSTRY PARTNERS TO SEEK COLLABORATIVE EFFORT IN THAT REGARD. BUT I THINK MR. FRAZEE IS CORRECT, THAT IS A FUTURE EFFORT WE WILL UNDERTAKE, AND WE STILL HAVE THE MATTER OF SPECIFICALLY WHAT DIRECTION WOULD YOU LIKE TO OFFER STAFF ON THE DENOMINATOR.

CHAIRMAN PENNINGTON: WITH THAT IN MIND, I MOVE THAT WE TAKE THE STAFF'S RECOMMENDATION ON THE DENOMINATOR, WHICH IS THE SECOND ITEM.

BOARD MEMBER FRAZEE: SECOND.

CHAIRMAN PENNINGTON: ANY FURTHER DISCUSSION ON THAT? IF NOT, WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: NO.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: NO.

BOARD SECRETARY: JONES.

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BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: AYE.

MOTION CARRIES.

BOARD MEMBER GOTCH: MR. CHAIR, POINT OF CLARIFICATION. MY UNDERSTANDING IS THAT THE ALL MATERIALS VERSUS PLASTICS ONLY IS RELATIVELY THE SAME COST, WITHIN MAYBE $50,000; IS THAT CORRECT?

MS. TRGOVCICH: I THINK THAT'S WHAT WE DID DETERMINE. THERE'S APPROXIMATELY A $50,000 DIFFERENCE. THERE'S SOME STATIC COSTS ASSOCIATED WITH SENDING FOLKS OUT INTO THE FIELD TO DO WASTE SORTS THAT WOULD STAND WHETHER YOU WERE LOOKING AT RPPC'S ONLY OR THE BROADER WASTESTREAM OF 38 CATEGORIES PLUS.

MS. GOTCH: THANK YOU.

CHAIRMAN PENNINGTON: OKAY. WE MOVE TO ITEM 22.

MS. RICE: MR. CHAIRMAN AND MEMBERS --

CHAIRMAN PENNINGTON: LET ME GET ON THE RIGHT PAGE BEFORE I GET LOST HERE.

OKAY. ITEM 22. CONSIDERATION OF THE REALLOCATION OF UNUSED FY '96/97 TIRE PROGRAM

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FUNDING ALLOCATIONS.

DOROTHY RICE, CAREN TRGOVCICH, MARIE LAVERGNE, THE TROOPS.

MS. RICE: THANK YOU VERY MUCH.

MR. CHAIRMAN AND MEMBERS, I'M DOROTHY RICE, DEPUTY DIRECTOR OF PERMITTING AND ENFORCEMENT DIVISION. I WILL BE MAKING THIS PRESENTATION JOINTLY WITH CAREN TRGOVCICH OF THE WASTE PREVENTION AND MARKET DEVELOPMENT DIVISION, WITH ONGOING TECHNICAL ASSISTANCE PROVIDED BY MARIE LAVERGNE, DEPUTY DIRECTOR OF THE ADMINISTRATION AND FINANCE DIVISION.

RIGHT, MARIE?

CHAIRMAN PENNINGTON: CAN I INTERRUPT YOU LONG ENOUGH --

MS. RICE: ABSOLUTELY.

CHAIRMAN PENNINGTON: I WAS JUST HANDED A COUPLE OF MINUTES AGO AN EX PARTE FROM SENATOR JOHNSTON OF THE FIFTH SENATORIAL DISTRICT IN SUPPORT OF THE EXISTING RRAC ROLE. OKAY?

MS. RICE: AS YOU KNOW, THIS IS AN ITEM FOR REALLOCATION OF UNUSED FISCAL YEAR 1996/97 TIRE DOLLARS. IN NOVEMBER THE BOARD ARRIVED AT THE '96/97 FUND ALLOCATIONS FOR THE TIRE PROGRAM IN NOVEMBER, FOLLOWING A SEPTEMBER WORKSHOP WHERE

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WE GOT SUBSTANTIAL INPUT FROM INTERESTED PARTIES ON HOW THE FUNDS SHOULD BE ALLOCATED. NOVEMBER FUNDING ALLOCATIONS ARE LISTED ON PAGES 203 AND 204 OF YOUR PACKET.

AT THAT TIME IN NOVEMBER, IT WAS RECOGNIZED AND DISCUSSED BY THE BOARD THAT NOT ALL OF THE ALLOCATED FUNDS WOULD BE UTILIZED FOR THE PURPOSES IDENTIFIED IN THE ALLOCATIONS. FOR THAT REASON, STAFF WERE REQUESTED TO RETURN TO YOU IN THE APRIL TIME FRAME TO DISCUSS REALLOCATION OF ANY FUNDS THAT HAD NOT BEEN FULLY UTILIZED. SO THAT IS THE PURPOSE OF THE ITEM BEFORE US TO TODAY, TO LOOK AT THE REALLOCATION OF THOSE FUNDS.

THE AREAS WHERE ALLOCATED FUNDS HAVE NOT BEEN FULLY UTILIZED ARE SHOWN ON THOSE TABLES ON PAGES 203 AND 204 IN YOUR PACKETS. AND YOU CAN SEE IN THE AREA DELINEATED AS PERMIT AND ENFORCEMENT THAT THERE ARE TWO AREAS WHERE FUNDS HAVE NOT BEEN FULLY UTILIZED. ONE IS FOR THE PILOT LEA GRANT PROGRAM, WHERE IN NOVEMBER YOU ALLOCATED $200,000 FOR THIS NEW ACTIVITY, AND WE RECEIVED APPLICATIONS TOTALING $110,031 FOR THOSE GRANTS. AND WE WILL BE BEFORE THE ADMINISTRATION COMMITTEE AND THE BOARD IN MAY RECOMMENDING APPROVAL OF GRANTS TOTALING THAT FULL AMOUNT. SO

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IN THAT CATEGORY, SHOULD YOU AGREE WITH THAT STAFF RECOMMENDATION IN MAY, THAT WOULD LEAVE $89,969 NOT UTILIZED FROM THAT $200,000.

MOVING ON TO OUR OTHER ITEM, WHICH IS THE LOCAL GOVERNMENT MATCH AND CLEANUP GRANTS, IN NOVEMBER YOU AUTHORIZED AN ALLOCATION OF $250,000 FOR A GRANT OFFERING -- A MATCHING GRANT OFFERING IN THIS AREA. AGAIN, A FIRST-TIME OFFERING OF ITS TYPE, WE RECEIVED APPLICATIONS TOTALLING $40,000 FROM TWO JURISDICTIONS. UPON REVIEW, STAFF WILL BE AGAIN BEFORE THE ADMINISTRATION COMMITTEE IN MAY, AND THE BOARD, RECOMMENDING APPROVAL OF ONE OF THOSE APPLICATIONS FOR A TOTAL OF $25,000, THUS LEAVING 225,000 UNALLOCATED OR UNUTILIZED.

THIS DIFFERS SLIGHTLY FROM MY COMMITTEE PRESENTATION A FEW WEEKS AGO WHEN WE HAD JUST RECEIVED THE TWO APPLICATIONS AND DID NOT YET KNOW THAT WE WOULD NOT BE RECOMMENDING FULL FUNDING OF THE 40,000 REQUESTED. SO AGAIN, WE'LL ONLY BE RECOMMENDING 25,000 FROM THAT CATEGORY.

WITH THAT, THEN, I'LL TURN IT OVER TO CAREN TRGOVCICH TO TALK ABOUT UNUTILIZED FUNDS IN THE MARKET DEVELOPMENT AREA.

MS. TRGOVCICH: AS YOU CAN SEE FROM THE

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CHART ON PAGE 204 OF YOUR PACKET, THERE'S AN IDENTIFICATION OF ALL OF THE ACTIVITIES THAT THE BOARD ALLOCATED FUNDS FOR FISCAL YEAR 1996/97. THE ONLY ACTIVITY THAT HAS SPECIFICALLY IDENTIFIED DOLLAR SAVINGS ASSOCIATED WITH IT, IF YOU LOOK AT THE MIDDLE OF THAT LISTING, IS CEMENT KILN INFORMATION DISSEMINATION. THAT ALLOCATION BY THE BOARD LAST NOVEMBER WAS INTENDED AS A SHOW OF SUPPORT FOR THE GREAT POTENTIAL THAT THAT INDUSTRY HAS IN TERMS OF USING OR INCORPORATING TIRES AS A FUEL SUPPLEMENT, AND THE BOARD WISHED TO MAKE FUNDS AVAILABLE IN THE EVENT THAT WE HAD INFORMATION THAT WAS READY TO BE PRODUCED, DISTRIBUTED, ANALYZED, ETC., THAT WOULD SUPPORT THAT USE.

TO DATE, WE HAVE NOT YET COMPLETED THE PRIOR YEAR, '95/96, EVALUATION BEING CONDUCTED BY DAMES & MOORE, WHICH WAS TO BECOME ONE OF THE BASES OF THE EDUCATIONAL OR USE OF THOSE FUNDS FOR INFORMATION DISSEMINATION. AND THUS YOU WILL SEE THAT WHAT WE'RE RECOMMENDING IS THAT MONEY OR OTHER MONIES BE MADE AVAILABLE DURING 1997/98 FOR THIS AND OTHER PURPOSES RELATING TO INFORMATION DISSEMINATION. HOWEVER, FOR PURPOSES OF '96/97, THAT $50,000 IS NOW AVAILABLE FOR REALLOCATION.

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THAT IS THE ONLY SPECIFICALLY IDENTIFIED ACTIVITY THAT IS NOT PROCEEDING AT THIS POINT AND WAS PRESENTED TO THE COMMITTEE.

MS. RICE: THE POLICY COMMITTEE RECOMMENDATIONS FOR REALLOCATION OF THESE FUNDS THAT HAVE JUST BEEN DESCRIBED ARE LISTED IN TABLE 1 ON PAGE 200 IN YOUR PACKET, WHICH IS PAGE 22 OF THE ITEM. THE TABLE SHOWS PROPOSED AUGMENTATIONS TO VARIOUS ACTIVITIES TOTALING $350,000. BASED ON THE ADDITIONAL FUNDING THAT I DESCRIBED FROM THE MATCHING CLEANUP GRANT PROGRAM, THAT WOULD LEAVE AN ADDITIONAL 15,000 AVAILABLE FOR REALLOCATION DISCUSSION AT THIS TIME.

IN ADDITION, I WOULD LIKE TO OFFER ONE CLARIFICATION. ONE OF THE AUGMENTATIONS PROPOSED IN THE POLICY COMMITTEE MEETINGS SEVERAL WEEKS AGO WAS TO AUGMENT THE CIVIL ENGINEERING CONTRACT BY $75,000. THAT WOULD HAVE BEEN, I THINK, 30 PERCENT OF $250,000. THE CONTRACT IS, IN FACT, FOR $245,000 SO AS WE MUST STAY WITHIN 30 PERCENT OF THE CONTRACT AMOUNT FOR AN AUGMENTATION, THE ACTUAL CEILING ON HOW MUCH YOU CAN AUGMENT IS 73,500 RATHER THAN 75,000. SO I SUPPOSE THAT LEAVES AN ADDITIONAL $1,500 FOR YOUR

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REALLOCATION DISCUSSIONS TODAY.

ADDITIONALLY, AT THE COMMITTEE MEETING, CONSIDERATION OF ALLOCATION OF THE $560,000 PRUDENT RESERVE AND THE LOCAL GOVERNMENT REC MATCHING GRANT PROGRAM IN THE AMOUNT OF 200,000 WAS FORWARDED TO THE FULL BOARD FOR CONSIDERATION AND NOT DISCUSSED AT THAT COMMITTEE MEETING. SO WITH THAT BACKGROUND AND DESCRIPTION OF THE COMMITTEE RECOMMENDATION, THAT CONCLUDES OUR PRESENTATION.

CHAIRMAN PENNINGTON: VERY GOOD.

MR. JONES?

BOARD MEMBER JONES: BEFORE WE START TO TALK ABOUT THIS ALLOCATION IN TIRE FUNDS, I WANT TO -- I WANT TO MAKE SOME COMMENTS ON THE OVERALL DIRECTION OF THE TIRE PROGRAM. I THINK IT'S IMPORTANT WHEN WE'RE DEALING WITH THESE FUNDS THAT WE TALK ABOUT WHAT OUR EVENTUAL GOAL IS WITH THIS PROJECT. IT'S NOT JUST SPENDING MONEY IN ONE YEAR OR THE NEXT YEAR. IT'S TRYING TO DEVELOP WHAT WE NEED TO DO. I BELIEVE THAT OUR LONG-RANGE GOAL IS TO HAVE A FUNCTIONING WASTE TIRE MARKET WHERE THE SUPPLY AND DEMAND ARE IN BALANCE, AND THAT THE TIRES SHOULD GO TO THEIR MOST HIGHLY VALUED USES.

HOWEVER, IN THE SHORT RUN, THE MOST COST-EFFECTIVE END USE, AND THE ONE THAT ADDRESSES

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STOCKPILES THE BEST, IS THE USE OF WASTE TIRES AS A FUEL SUPPLEMENT. I TOURED THE MITSUBISHI PLANT YESTERDAY. I ALWAYS WONDERED WHAT FUEL SUPPLEMENT WAS, JUST WHAT THAT RATIO WAS. WE'RE TALKING ABOUT USING -- I'M TALKING ABOUT A POLICY THAT THE -- THAT THIS BOARD ADOPTED IN 1992 TO ENDORSE TIRE-DERIVED FUEL AS BEING USED IN CEMENT KILNS AS A POSITIVE USE TO DEAL WITH THE LEGACY PILES AND HAVING A REAL DEVELOPMENT OF NEW MARKETS.

THERE ARE 19 CEMENT KILNS IN THE STATE OF CALIFORNIA. THREE BURN TIRES. BUT I WANT TO KNOW IF PEOPLE UNDERSTAND THAT WHEN A CEMENT KILN MAKES A DETERMINATION TO SUPPLEMENT THEIR FUEL SOURCE, THEY ARE TALKING ABOUT TAKING 3,000,000 TIRES OUT OF THE WASTESTREAM A YEAR, WHICH IS ONLY GOING TO REPRESENT 15 PERCENT OF THEIR FUEL NEEDS. IT'S NOT 100 PERCENT OF THEIR FUEL NEED; IT'S NOT 20 PERCENT OF THEIR FUEL NEEDS. IT'S 15 PERCENT OF THEIR FUEL NEEDS. THEY'RE STILL GOING TO BURN IN EXCESS OF 25 TO 30 TONS OF COAL AN HOUR. SO I THINK THAT IT'S IMPORTANT THAT PEOPLE UNDERSTAND THAT BECAUSE WHEN WE'RE TALKING 3,000,000 TIRES A YEAR PER PLANT, THAT HAS GOT AN INCREDIBLE IMPACT, AND I THINK THAT THE BOARD UNDERSTANDS THAT.

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I BELIEVE THAT WE SHOULD MAKE EVERY EFFORT TO REMOVE BARRIERS TO EXPAND THE USE OF THE WASTE TIRES IN CEMENT KILNS AND COAL COGEN PLANTS. THE REASON IS THAT WHEN THEY BURN TIRES AS FUEL, THE NOX READINGS GO DOWN, CARCINOGENS GO DOWN, THEY GET A CLEANER BURN. IT'S UNBELIEVABLE. I DON'T KNOW HOW MANY PEOPLE HAVE GONE TO A CEMENT KILN AND SEEN THE PROCESS THAT THEY GO THROUGH. YESTERDAY WAS A GOOD DAY FOR ME. I WENT TO BAS RECYCLING AND SAW CRUMB RUBBER. WENT TO A CEMENT KILN AND LOOKED AT HOW TIRE-DERIVED FUEL WORKS.

TO ACCOMPLISH THIS, WE NEED TO DISSEMINATE THE BEST SCIENTIFIC INFORMATION ABOUT THE EFFECTS OF USING TIRES AS A FUEL SUPPLEMENT ON AIR QUALITY EMISSIONS. AND THIS BOARD HAS DONE THAT WHEN THEY COMMISSIONED THE DAMES & MOORE STUDY, TO PUT ALL THAT AVAILABLE INFORMATION TOGETHER AND BE ABLE TO PRESENT IT IN ENGLISH.

I THINK THAT IS A VERY IMPORTANT FACTOR BECAUSE WE'RE NOT ALL -- I AM NOT ABLE TO UNDERSTAND EVERYTHING THAT COMES OUT OF THESE REPORTS, BUT I'M CAPABLE OF READING ENGLISH. AND I THINK HAVING A PRODUCT OR HAVING A DOCUMENT FROM THIS BOARD THAT WE CAN GIVE OUR STAFF, GIVE PEOPLE IN HEARINGS, SO THAT THEY CAN UNDERSTAND WHAT FUEL

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SUPPLEMENTATION IS, THAT THEY CAN UNDERSTAND WHAT THE EMISSIONS STANDARDS ARE, WHAT THE SCIENCE IS, TAKE SOME OF THE VOODOO HYSTERIA OUT OF THE PERMITTING PROCESS.

I THINK EVERYBODY ON THIS BOARD UNDERSTANDS IT'S A PERMIT. A FACILITY IS A LOCAL ISSUE. NO MATTER WHAT THE SCIENCE, NO MATTER WHAT THE ISSUES ARE, IT ALWAYS BOILS DOWN TO A LOCAL ISSUE AND WHETHER OR NOT THEY WANT IT THERE OR NOT. I AM NOT ADVOCATING THAT WE BECOME -- DO ANYTHING MORE THAN EDUCATE PEOPLE ABOUT THE SCIENCE, THE SCIENCE -- THE REALITY OF THE SCIENCE AND ENDORSE THAT SCIENCE.

I WANT TO BE ABLE TO RECOMMEND THAT OUR STAFF BE MADE AVAILABLE TO APPEAR AT LOCAL PERMIT HEARINGS TO PRESENT THE RESULTS OF THOSE STUDIES AND DESCRIBE THE BOARD POLICY ON THE USE OF TIRES AS A FUEL SUPPLEMENT. OUR TIRE PROGRAM HAS ACCOMPLISHED MUCH OVER THE PAST SEVERAL YEARS. I BELIEVE IT NEEDS MORE FOCUS AND STRATEGIC DIRECTION. I BELIEVE THIS COULD BE ACCOMPLISHED IF WE IMPROVE OUR CAPABILITY TO ANALYZE THE

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COST-

23 EFFECTIVE STRATEGIES ON A REGIONAL BASIS FOR

24 BRINGING TIRES FROM BOTH LEGACY PILES AND THE

FLOW

25 TIRES TO THE END USE MARKETS.

THEREFORE, I WOULD LIKE TO DIRECT STAFF TO UPDATE THE INFORMATION CONTAINED IN THE 1992 TIRE REPORT BY UPDATING POPULATION, TIRE PILES, AVAILABLE END USES, AND USE THAT INFORMATION TO HELP SET STRATEGIC, QUANTITATIVE TARGETS FOR GETTING WASTE TIRES FROM WHATEVER SOURCE TO A POSITIVE END MARKET.

OVERALL, I BELIEVE THAT THE PROPOSED FUNDING ALLOCATIONS THAT WE HAVE BEFORE US TODAY IS A BALANCE BETWEEN MARKET DEVELOPMENT AND CLEANUP. AND IN THIS MARKET DEVELOPMENT ARENA, THE BULK OF THE FUNDS ARE DIRECTED TOWARDS EXPANDING THE USE OF WASTE TIRES BY SUPPORTING THE MOST HIGHLY VALUED END USES. MORE SPECIFICALLY, OUR FUNDING PLAN SUPPORTS PROJECTS TO EXPAND THE USE OF RRAC, USE WASTE TIRES IN CIVIL ENGINEERING PROJECTS, AND HELP CREATE OTHER MARKETS FOR THE CRUMB RUBBER MANUFACTURERS.

AS A BOARD, WE NEED TO ENDORSE THIS COMPREHENSIVE APPROACH AND, WITH OUR LIMITED FUNDS, ATTACK THE PILES, ELIMINATE THE PILES, AND THEN LET THE MARKET DRIVE THE END USES AND WHERE THOSE TIRES ARE GOING TO GO FOR THE DAILY FLOW OF TIRES IN THE FUTURE.

I BRING THAT FORWARD IN THAT -- IN

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THIS FORMAT BECAUSE I THINK THIS BOARD HAS DONE A GOOD JOB, BUT I THINK WE NEED CLEAR DIRECTION TO STAFF FROM THIS BOARD OF HOW WE ARE GOING TO CREATE OTHER MARKETS WITHOUT DISLODGING FLOW, WHICH EVERY TIME WE DO A CLEANUP, WE END UP TAKING LEGACY TIRES FROM ONE PLACE AND PUTTING THEM INTO SOMEWHERE WHERE WE HAVE LIMITED MARKETS, WE DISRUPT THE FLOW.

WE NEED TO CREATE MARKETS THAT CAN ACCEPT NOT ONLY LEGACY PILES, BUT FLOW TIRES TO OPEN UP THOSE MARKETS. AND WHEN WE HAVE SOMETHING THAT'S AS VIABLE AS THAT, I THINK IT WOULD BE REMISS IF WE DIDN'T GO AFTER BREAKING DOWN THOSE BARRIERS. SO THAT WE CAN DO EXACTLY WHAT WE SAW THE AIR RESOURCES BOARD DO AND THE LOCAL AIR QUALITY DISTRICTS DO IN ASSEMBLYWOMAN BOWEN'S COMMITTEE, WHEN THEY TALKED ABOUT OPTIONS ON THE FIRESTONE BILL AND ISSUES CAME FORWARD IN THE AIR RESOURCES BOARD AND THE AIR QUALITY PEOPLE WERE SITTING AT THE TABLE ABLE TO OFFER THE SCIENCE, ABLE TO ENDORSE THE SCIENCE. AND THAT'S WHAT THIS BOARD NEEDS TO DO.

WE NEED TO GO OUT AND ENDORSE THE SCIENCE, NOT THE SPECIFIC PROJECT. THAT'S NOT OUR

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25 ROLE. BUT IT IS OUR ROLE TO ENDORSE AND CLARIFY

1 THE SCIENCE AND TAKE SOME OF THE VOODOO OUT OF THE
2 PERCEPTIONS AND GET THE EMOTIONS OUT OF THESE
3 THINGS, OR WE'RE NEVER GOING TO SOLVE THIS
4 PROBLEM.
5 I DO WANT TO SAY ONE THING, OR A
6 COUPLE OF OTHER THINGS ON THE ALLOCATION OF
7 DOLLARS THAT CAME THROUGH THE COMMITTEE. WE LEFT
8 TWO ITEMS UNTOUCHED THAT WE NEED TO DISCUSS, WHICH
9 I BROUGHT UP IN MY COMMITTEE MEETING THIS MORNING.
10 ONE OF THEM WAS THE PRUDENT RESERVE THAT HAS
11 $560,000 IN IT. THAT PRUDENT RESERVE HAD
12 ORIGINALLY BEEN PUT ASIDE FOR -- TO ASSIST IN
13 WHATEVER IT WAS GOING TO TAKE TO BRING -- TO DEAL
14 WITH THE MELP/OXFORD/PG&E ISSUES THAT, YOU KNOW,
15 SURROUND IT. I THINK IT'S IMPORTANT THAT THOSE
16 DOLLARS STAY THERE WHILE WE FIGURE THIS ISSUE OUT.
17 THE OTHER ISSUE WAS THE 50
18 PERCENT -- THE 50/50 RRAC MATCHING GRANTS,
19 $200,000. I THINK THAT'S ANOTHER GOOD PROGRAM
20 THAT MAKES A LOT OF SENSE. I HAVE NO PROBLEM WITH
21 DOING THAT KIND OF A PROGRAM. I HAD MADE AN

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OFFER

22 TO MOVE IT INTO '97/98 BECAUSE I DIDN'T THINK THE

23 PROCESS HAD BEEN DONE. AND I'M NOT TALKING ABOUT

24 THE PROCESS. THERE WAS A DEATH AND SOME OTHER
25 THINGS. I DON'T THINK SOME THINGS GOT TAKEN CARE

OF THE WAY THEY COULD HAVE. I WAS TRYING TO MOVE IT INTO '97/98 SO IT DIDN'T GET DESTROYED. WE'RE TALKING THREE MONTHS DOWN THE ROAD FROM TODAY, BASICALLY, IS WHEN THAT FISCAL YEAR ENDS.

THERE'S BEEN A LOT OF CONCERN THAT THAT MAY NOT BE AN APPROPRIATE ACTION, YOU KNOW. I MEAN AS FAR AS I'M CONCERNED, WHATEVER THIS BOARD WANTS TO DO ON THAT ISSUE, THAT'S FINE, BUT I'M NOT TALKING ABOUT DESTROYING RRAC. I WAS TALKING ABOUT MOVING IT, AND EVERYBODY UNDERSTOOD THAT, FROM BEING A QUESTIONABLE WHETHER OR NOT WE WERE GOING TO GET IT DONE AND LOSING THOSE FUNDS OR MOVING IT THREE MONTHS DOWN THE ROAD TO MAKE SURE IT GOT DONE.

YOU KNOW, I COME FROM AN INDUSTRY THAT IS RESULT ORIENTATED. IF I CAN'T GET THE JOB DONE, THEN IT DOESN'T MAKE ANY SENSE AND THAT'S EXACTLY WHY I TRIED TO DO THAT. I DIDN'T TRY TO KILL IT. I THINK IT NEEDS TO BE THERE. I OFFERED TO PUT IT INTO '97/98. THE DISCUSSION CAN GO ON. I JUST HOPE THE DISCUSSION OVER THIS $200,000 MATCHING GRANT RRAC ISSUE DOESN'T CLOUD ANY VALUE THAT ANYBODY COULD GET OUT OF WHAT THIS OVERALL PROGRAM IS DOING. I THINK IT'S IMPORTANT THAT THIS BOARD STAYS ON FOCUS AND UNDERSTANDS AND

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1 MAKES A COMMITMENT TO TEAR DOWN BARRIERS SO THAT
2 WE CAN OPEN MARKETS. I WOULD HOPE THAT THIS
3 ALLOCATION OF FUNDS CANNOT BE SPENT ON DEALING
4 WITH DATES. I THINK I'M GOING TO WAIT AND SEE IF
5 THERE ARE ANY AMENDMENTS.
6 BOARD MEMBER GOTCH: MAY I ASK A QUESTION
7 OF MR. JONES?
8 CHAIRMAN PENNINGTON: YES, MRS. GOTCH.
9 BOARD MEMBER GOTCH: REGARDING THE RRAC
10 GRANTS, WHAT HAPPENS TO THIS MONEY IN THE CURRENT
11 YEAR IF YOU'RE NOT ALLOCATING IT FOR THE RRAC
12 GRANTS NOW?
13 BOARD MEMBER JONES: WHAT I SAID -- IF WE
14 WANT TO ALLOCATE IT RIGHT NOW AND IT DOESN'T GET
15 USED, THEN WE LOSE IT. WE CAN'T USE IT NEXT YEAR.
16 IT DOESN'T COME UP UNTIL THE YEAR AFTER. IT'S A
17 PUT OR PAY, AS I SEE IT.

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18 WHAT I THOUGHT WE WOULD DO IS
TAKE
19 THAT MONEY AND FUND -- TAKE THAT $200,000 OUT
OF
20 '96/97, ZERO IT OUT FOR '96 AND '97, BUT
INCLUDE
21 IT IN '97/98 FOR 200,000, SAME AMOUNT OF MONEY.
22 TAKE 157,000 -- THESE NUMBERS HAVE CHANGED
BECAUSE
23 THERE WAS THAT EXTRA 25 GRAND OR WHATEVER --
TAKE
24 $172,890 AND ADD IT TO TIRE STABILIZATION AND
25 CLEANUP THIS YEAR. TAKE THE 560,000, LEAVE IT
IN

THE PRUDENT RESERVE. I THINK IF THE PRUDENT RESERVE DOLLARS WERE ALLOCATED FOR THE PURPOSE THAT THEY WERE INTENDED, THAT'S FINE. IF NOT, THEY COULD BE ROLLED, I AM ASSUMING, IN JUNE TO TIRE STABILIZATION OR WHATEVER.

THE RMDZ LOANS, WE NEED $100,079 TO -- NO, THAT'S YOUR REPORT, SORRY. WE NEED --

MS. TRGOVCICH: 120,000.

BOARD MEMBER JONES: 120,000 FOR THE RMDZ LOANS. WHEN THE ITEM CAME FORWARD IN COMMITTEE, WE HAD ALLOCATED $93,000 TO THE PLAYGROUND MATS. WE HAVE FOUND OUT SINCE THEN THAT A TOTAL OF $100,079 FULLY FUNDS ALL THE ELIGIBLE REQUESTS UNDER THE PLAYGROUND MAT PRACTICE OR ISSUE. AND IT WOULD MAKE SENSE TO AUGMENT THAT TO $100,079 SO THAT ALL OF THOSE QUALIFIED PROJECTS WOULD GET FUNDED.

$12,000 TO THE EMISSIONS AND ANALYST -- I'M SORRY -- ANALYSIS AUGMENTATION, THE DAMES & MOORE STUDY. $50,000 TO PRINT -- FOR PRINTED MATERIAL FOR TIRE HAULER PROGRAM. I GUESS NOW THE NUMBER IS $73,500 TO AUGMENT CIVIL ENGINEERING PROJECTS. I THINK THAT WAS THE NUMBER THAT YOU HAD SAID INSTEAD OF THE 75. I'M NOT DOING THE MATH AS I'M GOING ALONG SO -- AND THEN

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AN ISSUE THAT CAME UP, WE HAD IT IN THE '97/98 ALLOCATION, WAS -- AND IT'S A PRETTY NEAT PROJECT BECAUSE IT CAME TO US FROM MRS. GOTCH'S OFFICE AND WENT TO MR. RELIS' OFFICE AND ENDED UP IN MY OFFICE. AND THE WHOLE BOARD HAS HAD A PIECE OF THIS THING -- IS AN IDEA ON LEVEE CONSTRUCTION THAT HAS GOT THE CIVIL -- HAS GOT THE CORPS OF ENGINEERS PRETTY EXCITED AS WELL AS MARTHA FROM OUR STAFF. THERE IS POTENTIAL THAT THIS COULD WORK.

WE'RE LOOKING AT THE POTENTIAL OF SOMEWHERE AROUND 44,000 TIRES A MILE TO BE IN USE. THAT'S A PROJECT THAT THE CORPS OF ENGINEERS WOULD LIKE TO BE ABLE TO DO THE FEASIBILITY STUDY NOW, RATHER THAN WAIT AND DO THE FEASIBILITY STUDY AND THEN LATER, IN '97/98, DOING A PILOT PROJECT. SO I'M PROPOSING THAT WE PUT 35,000 AND TO ENCUMBER THOSE FUNDS RIGHT AWAY, ENTER INTO AN INTERAGENCY AGREEMENT WITH THE CORPS OF ENGINEERS TO MAKE SURE THAT THAT GOT GOING, OR HOWEVER THAT NEEDS TO WORK.

AND PLAYGROUND MATS, WE HAVE. I'VE GOT THAT AT $100,000. I'M MISSING SOMETHING. NO, I DON'T THINK I AM. I THINK WE'RE OKAY. WE MIGHT BE $2500 SHORT OR SOMETHING. THAT'S HOW I

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PROPOSED TO DO THIS.

IF WE DON'T DO IT, IF WE KEEP THE $200,000 IN THIS YEAR ON THE RRAC MATCHING GRANTS AND TRY TO GET IT DONE IN THREE WEEKS, I DON'T KNOW. I DON'T KNOW HOW PRUDENT THAT IS. OBVIOUSLY, THE RRAC PROGRAMS, THOSE TYPES OF PROGRAMS NEED TO CONTINUE. YOU KNOW, I MEAN, THAT WAS MY BEST CUT AT '96/97. BY ADDING, JUST SO PEOPLE KNOW, THAT BY PUTTING $172,890 INTO TIRE STABILIZATION IN '96/97, WHAT WE HAD DONE, WE HAD ORIGINALLY ALLOCATED '97/98. AND WE'RE NOT SWITCHING YEAR DOLLARS. WE'RE JUST TALKING ABOUT MONEY. WE ORIGINALLY ALLOCATED $2 AND A HALF MILLION TO TIRE STABILIZATION AND CLEANUPS. I THINK IF WE DO THE -- IF WE JUST SWITCH THOSE AREAS AROUND, WE WOULDN'T PUT TWO AND A HALF MILLION INTO CLEANUPS. WE'D PUT $2,342,000 IN THE CLEANUPS. SO TRYING TO KEEP THINGS EQUAL, MAKE THEM BALANCE OVER THE COURSE OF TIME.

THOSE WERE MY -- THOSE WERE MY PROPOSALS. LIKE I SAY, I THINK IT'S VALID TO HAVE THE DEBATE AS FAR AS THE TIMING OF THE RRAC ISSUES. GOD KNOWS WE'RE GETTING LETTERS FROM EVERYBODY THAT WANTS IT. I HAVE A PROBLEM WITH THE LETTERS THAT SAY WE'RE INTERESTED IN DOING THE

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PROJECT. AND I THINK THAT'S MY ISSUE IS, YOU KNOW, CAN THESE CITIES AND COUNTIES BE ABLE TO MEET A DEADLINE THAT DOESN'T PUT US IN A POSITION OF LOSING THE MONIES. THAT IS WHAT ALL MY CONCERNS ARE.

IF THEY DON'T TAKE AN ACTION, IF IT DOESN'T GET IN FRONT OF A CITY COUNCIL OR BOARD OF SUPERVISORS TO ALLOCATE THE DOLLARS TO MATCH THE FUNDS, THEN BASICALLY WE DON'T HAVE ANYTHING. THE OTHER THING WE DON'T HAVE -- I JUST DON'T WANT TO SEE US LOSE THAT MONEY. THAT'S WHY I ASKED THAT THAT MONEY GET PUT INTO '97/98 TO KEEP THE PROGRAM ALIVE, TAKE ADVANTAGE OF MORE TIME TO GET IT DONE. BUT I, YOU KNOW, THE DEBATE CAN GO ON. I HOPE WE DON'T LOSE SIGHT OF WHAT THE GOAL IS HERE, AND THE GOAL IS TO INCREASE MARKETS, RRAC MARKETS, CRUMB RUBBER MARKETS, TDF MARKETS, TO GET THE PILES DOWN. THAT'S WHAT OUR GOAL HAS TO BE. SO I JUST WILL DO THAT FOR NOW.

CHAIRMAN PENNINGTON: YOU WANT TO PUT THAT IN THE FORM OF MOTION, OR DO YOU WANT TO WAIT OR --

BOARD MEMBER CHESBRO: MR. CHAIRMAN, MR. JONES --

BOARD MEMBER JONES: I WANT TO PUT MY

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OPENING REMARKS OR THE ISSUE OF MY OPENING REMARKS AS FAR AS THE DIRECTION TO STAFF AND THIS ALLOCATION OF DOLLARS FOR '96/97 IN THE FORM OF A MOTION.

CHAIRMAN PENNINGTON: OKAY.

MR. CHANDLER: MR. CHAIRMAN, WOULD IT BE HELPFUL IF I HAD STUFF PUT ON THE SCREEN, MR. JONES' ALLOCATIONS? I THINK HE --

BOARD MEMBER CHESBRO: WHAT'S THE POINT DEBATING THE MOTION WHEN WE HAVEN'T HAD A CHANCE FOR OTHER BOARD MEMBERS TO COMMENT. WE HAVE ONE BOARD MEMBER'S COMMENTS HERE NOW, SO I WOULD APPRECIATE THE OPPORTUNITY TO GET ON THE FLOOR.

CHAIRMAN PENNINGTON: YOU CERTAINLY MAY, BUT HE HAS THE RIGHT TO PUT A MOTION ON THE FLOOR. WE CAN DEBATE THAT MOTION.

MR. CHANDLER: ALL I WAS SUGGESTING, IF THERE'S CLARITY IN ALL YOUR MINDS AS TO THE DOLLAR AMOUNTS FOR EACH ONE OF THOSE CATEGORIES, FINE. I THOUGHT IT MIGHT BE HELPFUL FOR STAFF TO HAVE UP THERE, AS YOU DEBATE THE MOTION, WHAT THE ALLOCATIONS THAT MR. JONES JUST REFERENCED WERE FOR THE AUGMENTATION TO THE PLAYGROUND MATS OR WHAT WE WERE GOING TO DO WITH CIVIL ENGINEERING. I THINK THERE WAS QUITE A BIT THERE. I KNOW, FOR

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ONE, THAT I'M NOT ABLE TO RECALL FROM MEMORY WHAT WE HAVE BEFORE YOU IN THE FORM OF A POTENTIAL MOTION, SO I WAS SUGGESTING STAFF MIGHT ABLE TO HELP OUT.

I THINK CAREN HAS GOT THE OVERHEAD, IF SHE'S GOT A PIECE OF PAPER THERE.

MR. TRGOVCICH: WE'RE PREPARED TO PUT THE NUMBERS UP IF THEY COULD BE REPEATED ONE TIME.

MR. CHANDLER: SURE. MR. JONES, DO YOU HAVE YOUR NOTES THAT YOU REFERRED TO? THIS IS FOR CURRENT YEAR.

BOARD MEMBER JONES: UNDER TIRE STABILIZATION AND CLEANUP, $172,890; PRUDENT RESERVE, $560,000; PLAYGROUND MATS, $100,079; RMDZ LOANS, $120,000; THE EMISSIONS ANALYSIS AUGMENTATION, DAMES & MOORE, $12,000; THE PRINTING MATERIAL FOR TIRE HAULER PROGRAMS, $50,000; AUGMENT THE CIVIL ENGINEERING PROJECTS BY SEVENTY-THREE FIVE, $73,500; THE LEVEE FEASIBILITY STUDY WITH THE CORPS OF ENGINEERS SHOULD BE PROBABLY $36,500. I THINK THAT'S THE DIFFERENCE

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IN THAT ONE -- IN THAT ONE ITEM. FOR A TOTAL OF $1,110,000.

MS. TRGOVCICH: WHAT I'M GOING TO DO IS PUT SOME CHICKEN SCRATCH UP THERE, AND WE WILL

REWRITE IT AS YOU CONTINUE YOUR DISCUSSIONS. AND AS LONG AS I'VE GOT THE MIKE, IF I CAN JUST BRIEFLY ASK MR. JONES, WHO WENT THROUGH THIS ALLOCATION, ON THE LEVEE CONSTRUCTION FEASIBILITY STUDY, IT IS OUR INTENT TO PURSUE THAT WITH THE ARMY CORPS OF ENGINEERS. HOWEVER, GIVEN TIMING AND THEIR BUDGET SITUATION, IT MAY NEED TO BE THAT WE WOULD NEED TO PURSUE THAT THROUGH THE UNIVERSITY THAT THEY ARE DOING WORK WITH CURRENTLY AS WELL, SO I WOULD LIKE TO HAVE THE FLEXIBILITY.

BOARD MEMBER JONES: ABSOLUTELY.

CHAIRMAN PENNINGTON: MR. JONES HAS MADE A MOTION.

BOARD MEMBER FRAZEE: I GUESS I'LL SECOND IT FOR PURPOSES OF GETTING IT BEFORE US.

CHAIRMAN PENNINGTON: IT'S BEEN MOVED AND SECONDED. NOW MR. CHESBRO I BELIEVE WOULD LIKE TO --

BOARD MEMBER CHESBRO: MR. CHAIRMAN AND MR. JONES, AS I TOLD YOU BOTH INDIVIDUALLY, I HAVE A GREAT DEAL OF CONFIDENCE THAT THE RECYCLED ASPHALT CONCRETE PROJECTS CAN BE AND WILL BE ACCOMPLISHED IN THIS FISCAL YEAR. YOU'VE ASKED ME CAN IT BE GUARANTEED. AND, NO, I DON'T THINK ANY OF THESE EXPENDITURES CAN BE GUARANTEED TO COME

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OUT THE WAY THE BOARD HAS INTENDED. I HAVE A VERY HIGH DEGREE OF CONFIDENCE, THESE COMMUNITIES HAVE INDICATED THEIR LEVEL OF SUPPORT.

AND THERE IS A CONCLUSION WHICH YOU'RE AWARE OF, MR. JONES, WHICH COULD ADDRESS THIS, AND I WOULD LIKE TO AMEND THE MOTION TO PROPOSE THIS WITH THE MOTION IN A MOMENT. BUT WE'RE STILL OVER TWO MONTHS AWAY FROM THE END OF THE FISCAL YEAR AND THE IDEA THAT, GEE, IF CONTRACTS AREN'T FINALIZED AT THE END OF APRIL, THEN IT'S LIKELY THAT WE'RE NOT GOING TO HAVE THESE CONTRACTS FINALIZED IS NOT A CORRECT ASSUMPTION.

AND I THINK THE OTHER CONTINGENCY, THE OTHER APPROACH THAT COULD BE TAKEN IS TO EITHER AT THE JUNE BOARD MEETING, OR WE COULD EVEN DO IT TODAY, TO SET UP WHERE THOSE FUNDS WOULD BE REALLOCATED TO IN EXISTING CONTRACTS IF, IN FACT, BY A SET DATE THOSE CONTRACTS HAVE NOT BEEN CONSUMMATED AND THE FUNDS INCORPORATED -- ENCUMBERED, THE FUNDS FOR THE RRAC PROJECTS.

I THINK AT A TIME WHEN THE FOUR COMMUNITIES HAVE BEEN IDENTIFIED AND HAVE EXPRESSED THEIR INTEREST AND WE'RE IN THE PROCESS OF DEVELOPING CONTRACT AGREEMENTS, GRANT

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AGREEMENTS WITH THEM, IS THE WRONG TIME TO BE JUMPING TO THE CONCLUSION THAT THEY ARE NOT GOING TO COME TO COMPLETION. I HAVE SEEN CONTRACTS THAT ARE APPROVED THIS TIME OF YEAR THAT ARE COMPLETED IN MUCH SHORTER PERIOD OF TIME BEFORE THE END OF THE FISCAL YEAR.

SO MY SUBSTITUTE MOTION WOULD BE TO AMEND THE MOTION ON THE FLOOR TO CONTINUE THE ALLOCATION OF THE FOUR RRAC GRANTS. IF BY THE 15TH OF JUNE THOSE CONTRACTS HAVE NOT BEEN SIGNED AND THE FUNDS ENCUMBERED, THEN THOSE MONIES WOULD GO TO ENHANCE THE PLAYGROUND MAT CONTRACTS.

I'M OPEN TO OTHER SUGGESTIONS AS TO WHERE THE BOARD MEMBERS WOULD LIKE TO SEE THEM PLACED, BUT THERE'S ABSOLUTELY NO REASON WHY WE HAVE TO LOSE THOSE FUNDS TO THIS YEAR'S EXPENDITURE BECAUSE WE'RE NOT GUARANTEED THAT THOSE CONTRACTS WERE IN PLACE. IF YOU APPLIED THAT SAME CRITERIA TO OTHER CONTRACTS, THERE WOULD BE OTHER CONTRACTS THAT WOULD BE AT STAKE HERE.

I HAD PUT A LOT OF THOUGHT INTO AND WRITTEN UP NOTES HERE ABOUT WHY IT IS THAT THESE CONTRACTS HAVE BEEN SINGLED OUT. I HOPE TO NOT GO INTO THAT. I PREFER TO FOCUS ON THE POSITIVE HERE AND HOPE THAT THE BOARD WILL MAINTAIN ITS

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COMMITMENT MADE AT THE NOVEMBER MEETING OF LAST YEAR TO FOUR RRAC PROJECTS. THAT WAS A COMMITMENT THAT WAS NOT ONLY ACTIVELY SUPPORTED BY ME, BUT ALSO ACTIVELY SUPPORTED BY MR. FRAZEE, AND I HAVE HANDED OUT A COPY OF THE MINUTES.

AND AGAIN, I WILL HOLD OFF GOING INTO THAT IN DETAIL, ALTHOUGH I WILL IF NEED BE, AND HOPE THAT THE BENEFIT OF THE DOUBT WILL BE GIVEN TO THESE FOUR COMMUNITIES, THAT THEY HAVE ACTIVE INTEREST -- THEY HAVE ENOUGH ACTIVE INTEREST TO HAVE CONTACTED THEIR LEGISLATORS TO LET US KNOW THAT THEY WANT THIS MONEY.

ALL OF THE QUESTIONS YOU HAVE RAISED WITH ME INDIVIDUALLY ABOUT HOW DO WE GET THE GUARANTEES FROM THESE JURISDICTIONS THEY WILL PERFORM ARE THINGS THAT GET WORKED OUT IN THE CONTRACT. WE NEED TO GET THOSE CONTRACTS PINNED DOWN, AND THAT PROCESS IS UNDERWAY AS WE SPEAK. SO THERE WILL BE NO CONTRACTS IF WE DO NOT GET THOSE CONCERNS TAKEN CARE OF IN THE CONTRACT THAT -- SET OF CONTRACTS THAT ARE APPROVED BY THIS BOARD.

THE 15TH IS PROBABLY THE LONG DATE.

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24 IT'S PROBABLY THE DAY OF THE BOARD MEETING IN

JUNE
25 THAT WE WOULD WANT TO HAVE IT REALLOCATED
BECAUSE

THAT WOULD PROBABLY BE THE LATEST THAT WE COULD HAVE THE CONTRACTS BEFORE US FOR ALLOCATION FOR GRANT CONTRACTS. SO THAT IS MY AMENDMENT.

CHAIRMAN PENNINGTON: MR. FRAZEE?

BOARD MEMBER FRAZEE: IS THERE GOING TO BE A SECOND TO THAT AMENDMENT?

BOARD MEMBER GOTCH: YES. IN FACT, I HAVE A QUICK COMMENT TO MAKE ALSO. I WOULD BE HAPPY TO MAKE A SECOND ON THAT SUBSTITUTE MOTION. THE MONEY, IF THE MONEY DID BECOME AVAILABLE FROM THE RRAC THOUGH, IT'S NOT NECESSARY THAT IT GOES TO THE PLAYGROUND MATS. THAT IS GOING TO BE FUNDED NOW, BUT I'M SURE THAT THERE ARE OTHER AREAS THAT WE MIGHT BE ABLE TO AUGMENT. THANK YOU.

BOARD MEMBER FRAZEE: THAT WAS THE FIRST QUESTION I WAS GOING TO RAISE BECAUSE THIS PROPOSAL BEFORE US FULLY FUNDS ALL THE APPLICATIONS FOR PLAYGROUND MATS. AND SO IF YOU -- THEN YOU WOULD BE IN ANOTHER CYCLE, SO THERE WOULD HAVE TO BE SOME OTHER ALLOCATION.

BOARD MEMBER CHESBRO: IF YOU PREFER SOME OF THE PROJECTS MR. JONES HAS PROPOSED HERE TO ENHANCE NOW AND MAKE THAT A CONTINGENCY THAT WOULD OCCUR IN JUNE IF WE DON'T HAVE THOSE CONTRACTS

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BEFORE US TO APPROVE AND THEY'RE NOT APPROVED IN JUNE, THAT WOULD BE SATISFACTORY TO ME. THE ISSUE TO ME IS NOT WHERE WE REALLOCATE THIS TO. IT'S MAKING SURE WE HAVE THE OPPORTUNITY TO COMPLETE THESE CONTRACTS THIS YEAR. THAT'S THE ISSUE.

CHAIRMAN PENNINGTON: JUST AS A MATTER OF CLARIFICATION, I DON'T THINK ANY OF THE AUGMENTATIONS THAT MR. JONES HAS PUT UP THERE HAS COME OUT OF THE 200,000.

BOARD MEMBER JONES: YEAH. CLEANUP AND STABILIZATION WOULD AND THE LEVEE.

CHAIRMAN PENNINGTON: OKAY. I STAND CORRECTED.

BOARD MEMBER FRAZEE: THEN IF I COULD CONTINUE, MR. CHAIRMAN.

CHAIRMAN PENNINGTON: GO AHEAD.

BOARD MEMBER FRAZEE: I HAVE NO PROBLEM AT ALL WITH THE FOUR JURISDICTIONS THAT MY COLLEAGUE HAS IDENTIFIED AS HAVING SOME DESIRE TO PARTICIPATE IN THIS PROGRAM, EVEN THOUGH THEY'RE ALL VERY NARROW GEOGRAPHIC AREA, AT LEAST IT IS IN MY CONTEXT. BUT I HAVE CONTINUED TO EXPRESS TO MR. CHESBRO CONCERN OVER SAN FRANCISCO, FOR EXAMPLE. AND THE GENERAL COMMUNICATIONS FROM ALL OF THE JURISDICTIONS SEEM TO BE A LITTLE VAGUE AS

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TO WHETHER THEY'RE REALLY READY TO GO, WHETHER THE TIMING IS THERE OR NOT.

BUT IN THE CASE OF SAN FRANCISCO, THAT ONE ON THE SURFACE HAS APPEARED TO BE CONTINUALLY NOT A RRAC PROJECT, BUT A CONTINUATION OF A STUDY THAT WE PREVIOUSLY FUNDED A PORTION OF. AND I HAVE NOT SEEN ANYTHING THAT GIVES US ANY ASSURANCE THAT THEY'RE PREPARED TO GO AHEAD, THAT THEY'VE EVEN IDENTIFIED A PROJECT WHERE THEY CAN USE THE MATERIAL.

AND I HAVE CONTINUED TO EXPRESS MY CONCERN OVER HOW MUCH INCREMENT OF GOOD USED RUBBER ARE WE GETTING OUT OF THESE PROJECTS. AND WHEN I -- AS WE DISCUSSED PRIVATELY, I HAD SOME INTEREST IN SEEING THE BICYCLE PATH ITEM, AND THEN I SEE THAT IT'S FOR THE OVERLAY OF ONE MILE OF BICYCLE PATH. AND THAT CAUSES ME SOME CONCERN THAT THAT'S NOT BUYING THE RUBBER SUPPLEMENT, BUT IS PAYING FOR TRULY HALF OF THE TOTAL PROJECT. AND THAT'S AN ITEM THAT I THINK THAT WE HAVE DISCUSSED IN OTHER -- ON ANOTHER TIME.

ONE OF THE THINGS THAT I WANT TO BRING UP IN CONTEXT OF THAT ALSO IS A DOCUMENT THAT IS IN OUR FILE, NOTICE OF FUNDS AVAILABLE TIRE RECYCLING PROGRAM, RUBBERIZED ASPHALT

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CONCRETE GRANTS, AND HAS AN APPLICATION DEADLINE OF MARCH 17TH. WHAT WAS THE PROCESS AND HOW DOES THIS FIT INTO THE CONTEXT OF THIS?

MS. TRGOVCICH: FOLLOWING THE NOVEMBER ALLOCATION OF THE BOARD FOR THE '96/97 FUNDS, STAFF PROCEEDED TO DEVELOP PROCESSES TO CARRY OUT THE GRANT PROGRAMS APPROVED BY THE BOARD. AS BEING ONE OF THE PROCESSES, STAFF PROPOSED A NOTICE OF FUNDS AVAILABLE AND IT WAS FORWARDED UP TO THE MEMBERS' OFFICES, TO ADVISORS, FOR THEIR CONSIDERATION.

IN ORDER TO TRY TO GET TO THE COMMENTS RAISED AT THE BOARD MEETING LAST NOVEMBER, STAFF INCLUDED PREFERENCE CRITERIA THAT FOCUSED ON THE FIRST-TIME USERS AND TYING THE AVAILABILITY OF THE GRANTS TO THE STATEWIDE CENTER THAT THE BOARD HAD ALSO APPROVED. THERE WAS A DESIRE TO LOOK AT AN ALTERNATIVE PROCESS TO ATTEMPT TO GET AT THE MORE NARROWING OF THE PROSPECTIVE APPLICANTS, AND THAT PROCESS HAS BEEN ENSUING AT THE MEMBERS' OFFICES' LEVEL FOR THE LAST SEVERAL MONTHS.

BOARD MEMBER FRAZEE: SO THIS DOCUMENT NEVER WENT OUT?

MS. TRGOVCICH: CORRECT.

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BOARD MEMBER FRAZEE: OKAY. BUT I DO SEE ONE THING, AND THIS IS IN CONTEXT OF THE CITY OF SACRAMENTO'S PROJECT, ELIGIBLE ACTIVITIES, GRANT FUNDS ARE AVAILABLE FOR CONSTRUCTION AND MATERIALS COSTS OF RUBBERIZED ASPHALT CONCRETE, MAINTENANCE-TYPE ACTIVITIES. FOR EXAMPLE, CHIP SEALS, SLURRY SEALS ARE NOT ELIGIBLE. I BELIEVE THE SACRAMENTO CITY PROJECT WAS A SLURRY SEAL PROJECT, SO I DON'T KNOW HOW THAT ONE MATCHES.

BOARD MEMBER CHESBRO: THIS WAS A, I BELIEVE, A STAFF CONCEPT THAT -- I DON'T RECALL ANYTHING IN THE BOARD DISCUSSION ABOUT WHETHER OR NOT CHIP OR SLURRY SEAL WAS ELIGIBLE, BUT -- WHICH WAS BROUGHT FORWARD THAT RAN CONTRARY TO WHAT THE BOARD DIRECTED AT THE NOVEMBER MEETING. THAT'S THE REASON WHY IT NEVER WENT OUT AND IT WASN'T PROCEEDED WITH.

AND I WAS NOT, INCIDENTALLY, EVEN THOUGH THERE'S BEEN LANGUAGE ALONG THE WAY THAT SAYS THIS, IT WAS NOT A CHANGE IN DIRECTION FROM THE BOARD OR BOARD OFFICES. IT WAS, AND I REFER BACK AGAIN TO THE TRANSCRIPT, A LENGTHY DISCUSSION THAT WE HAD THAT WAS, IN FACT, AN ARGUMENT FROM MS. TRGOVCICH HERSELF AT THE MEETING.

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25 FOR THIS AMOUNT OF GRANT MONEY, IT

1 WAS NOT JUSTIFIED TO SPEND THE KIND OF STAFF TIME
2 AND MONEY TO ACHIEVE FOUR $50,000 GRANTS. YET
3 STAFF WENT AHEAD AND PROCEEDED THAT WAY, AND THEN
4 THERE WAS A DISCUSSION AND A DETERMINATION THAT'S
5 BEEN DESCRIBED AS A CHANGE IN DIRECTION BY THE
6 BOARD. IT WAS NOT A CHANGE. THE BOARD, IN FACT,
7 HAD INTENDED NOT TO GO TO A BROADLY ADVERTISED
8 COMPETITIVE PROCESS FROM THE BEGINNING.
9 WITH REGARDS TO YOUR FIRST TWO
10 POINTS, YOUR FIRST POINT ABOUT THE PROJECTS, I
11 HAVE ASSURED YOU AND OTHER BOARD MEMBERS THAT I
12 AGREE. SAN FRANCISCO NEEDS TO HAVE AND THEY HAVE
13 VERBALLY EXPRESSED TO ME AND MY OFFICE THE
14 INTENTION FOR THIS TO BE A PAVING PROJECT. AND
IF
15 IT'S NOT, IT'S NOT GOING TO GET THE MONEY.
THAT'S
16 NOT WHAT THE BOARD APPROVED.
17 I THINK THAT WE NEED TO IN THE
CASE
18 OF THE SACRAMENTO COUNTY PROJECT, I HATE TO USE
19 THE WORD "NEGOTIATE" BECAUSE WE HAVE THE CARDS,
20 BUT I THINK WE NEED TO INDICATE TO THEM THAT, AS
21 YOU HAVE RAISED THE CONCERN REPEATEDLY, THAT
WE'RE

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22 PAYING FOR RUBBER HERE AND WE HOPE -- WE INTEND TO

23 SEE THAT MORE PAVEMENT IS LAID THAT'S MORE

24 RELATIVE TO OUR CONTRIBUTION BEING FOR THE COST OF

25 THE RUBBERIZED ASPECT OF THE PROJECT, NOT SIMPLY

BUYING BIKE PATHS FOR SACRAMENTO COUNTY.

AND SO AGAIN, I HAVE CONCURRED AND WE'VE MADE A LIST OF THE SPECIFIC CONCERNS WITH THE INDIVIDUAL PROJECTS AND INTEND TO BE WORKING WITH STAFF ON MAKING SURE THAT THESE PROJECT DESCRIPTIONS AND INDIVIDUAL GRANT AGREEMENTS REFLECT THE CONCERNS THAT THE BOARD MEMBERS HAVE. AND IF THEY DON'T, BASED ON MY AMENDED MOTION HERE, THEY WON'T GET THE MONEY AND THE MONEY WOULD THEN -- WE WON'T HAVE A CONTRACT BEFORE US TO APPROVE IN JUNE. THE MONEY WILL REVERT TO THE PROJECTS THAT MR. JONES HAS SUGGESTED THAT THE MONEY BE REVERTED TO.

BOARD MEMBER FRAZEE: SO UNDER MR. JONES' PROPOSAL, HE WOULD GUARANTEE THAT MONEY WHERE UNDER YOUR PROPOSAL, IF IT FAILS TO HAPPEN, THEN IT'S GONE.

BOARD MEMBER CHESBRO: IT'S A CONTINGENCY. IT'S GONE, WHAT DO YOU MEAN BY IT'S GONE?

BOARD MEMBER FRAZEE: WELL, IT ROLLS NOT TO NEXT YEAR, BUT --

BOARD MEMBER CHESBRO: NO. IF THE BOARD ACTS -- MY MOTION IS -- MY MOTION IS THAT THAT MONEY WOULD BE REALLOCATED -- IF WE DON'T APPROVE

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A CONTRACT IN JUNE, IT WOULD BE REALLOCATED TO THIS YEAR'S CONTRACTS.

BOARD MEMBER FRAZEE: OKAY. BUT HIS PROPOSAL WAS TO PUT THAT $200,000 IN NEXT YEAR --

BOARD MEMBER CHESBRO: IT'S GONE INTO THE RRAC.

BOARD MEMBER FRAZEE: IF YOU ROLL IT HERE, YOU CAN'T HAVE --

BOARD MEMBER CHESBRO: THE NEXT AGENDA ITEM, WHICH YOU'RE STARTING THE DISCUSSION ON, WE CAN BUILD IN SOME PROTECTION FOR THAT BY INCLUDING SOME MONEY FOR RRAC FOR THE COMING YEAR, WHICH I INTEND TO SUPPORT. BUT I DON'T THINK THAT THAT IS A JUSTIFICATION FOR SLOWING DOWN AND DELAYING PROJECTS FOR WHICH WE'VE ALREADY IDENTIFIED COMMUNITIES AND THEY'RE WORKING WITH US TO NEGOTIATE CONTRACTS. IT'S REALLY AN UNPRECEDENTED APPROACH HERE TO, IN THE MIDDLE OF A PROCESS, YANK BACK THE CONTRACTS.

BOARD MEMBER RELIS: MR. CHAIR?

CHAIRMAN PENNINGTON: MR. RELIS.

BOARD MEMBER RELIS: MR. FRAZEE HAS EXPRESSED MANY OF THE CONCERNS THAT I HAVE, JUST

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24 REGARDING THE PERFORMANCE ASPECT OF THE

CONTRACTS,
25 WHICH IS WHAT WE'RE INTERESTED IN. I WOULD
JUST

ADD, AND I KNOW MR. CHESBRO AND I HAVE HAD THIS DISCUSSION, AND I FIND IT IN THE RECORD AS WELL BACK IN THE TRANSCRIPT, THAT WE DISCUSSED THE LINKAGE TO THE L.A. TECHNICAL ASSISTANCE CONTRACT THAT'S -- TO RESTATE THAT POINT, THE L.A. TECHNICAL ASSISTANCE CONTRACT IS A STATEWIDE CONTRACT. IT'S NOT A SOUTHERN CALIFORNIA CONTRACT. IT'S STATEWIDE. SO THESE PROGRAMS SHOULD BENEFIT IMMENSELY FROM THEIR WORK. AND WE WANT TO MAKE SURE THE BOARD'S LEVERAGING ITS EFFORT.

THE OTHER IS LINKAGE AND DEMONSTRATION THAT THESE FOUR PROJECTS UNDER CONSIDERATION WOULD REVEAL A LARGER POTENTIAL THAN SPECIFICALLY THE PROJECT THEY'RE DOING. THAT THEY WOULD DEMONSTRATE TO US THAT IF THEY GO INTO THIS, THAT THIS WOULD LEAD TO AN ENLARGED MARKET FOR RRAC BECAUSE THAT IS OUR ULTIMATE PURPOSE, LARGE SCALE DIVERSION. AND THAT'S WHY WE GOT AWAY FROM THE SMALL GRANTS PROGRAM. SO THAT WOULD BE VERY IMPORTANT TO THIS MEMBER, TO MAKE SURE THAT THOSE POINTS ARE SPELLED OUT IN WHATEVER COMES BACK TO US.

THEN I WOULD LIKE TO HEAR JUST EXACTLY WHAT WOULD BE THE PROCESS IF -- WHAT IS

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OUR TIMING IF WE WERE TO GO DOWN THIS DIRECTION AND PROJECTS DID NOT MATERIALIZE, AS WE'VE DISCUSSED. THE MONEY WOULD KICK BACK WITHIN THIS FISCAL YEAR INTO -- BY WHAT DATE WOULD WE HAVE TO MAKE DECISIONS FIRM AND FAST, MR. CHANDLER, FOR YOUR PURPOSES ADMINISTRATIVELY?

MR. CHANDLER: MARIE, YOU MIGHT WANT TO HELP ME HERE, BUT I HAVE DISCUSSED WITH MR. CHESBRO INASMUCH AS THERE WAS NOT A FORMAL APPLICATION PROCESS ON THE STREET, WHICH WOULD, OF COURSE, RETURN TO US PROJECT DESCRIPTIONS, MILESTONES, DUE DATES, DELIVERABLES, THE MODE WE'RE IN RIGHT NOW IS TO COMMUNICATE WITH THESE JURISDICTIONS THAT HAVE EXPRESSED INTEREST, TO GET THAT VERY TYPE OF INFORMATION BACK IN IN-HOUSE FROM WHICH WE COULD THEN CRAFT A SOLID GRANT AGREEMENT THAT REFLECTS THE SCOPES OF THE PROJECTS, THE INTENTS, THE OUTCOMES WE EXPECT TO HAVE.

WE'RE IN THE PROCESS NOW OF TRYING TO OBTAIN THAT MATERIAL FROM THESE FOUR SELECTED JURISDICTIONS SO THAT WE CAN BUILD THAT. ASSUMING THAT MATERIAL COMES IN TIMELY AND WE HAVE EVIDENCE OF THE 50-PERCENT MATCH AS WELL, THEN THE GRANT AGREEMENTS ARE SIMPLY PUT TOGETHER AND WE HAVE, IN

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EFFECT, DOCUMENTS THAT WOULD SERVE AS ENCUMBRANCE DOCUMENTS FOR $200,000. IN THE EVENT THAT ANY OF THAT MATERIAL ISN'T FORTHCOMING, THERE ISN'T A 50-PERCENT COMMITMENT FROM THE BOARD OF SUPERVISORS OR THE CITY COUNCIL OR THERE ISN'T THE DEFINITIONS WE NEED TO BUILD A SOLID GRANT AGREEMENT, THEN, AS MR. CHESBRO HAS OUTLINED, WE WOULD BE BACK BEFORE YOU IN THE LAST BOARD MEETING OF THE FISCAL YEAR WITH THAT INFORMATION AND REQUEST THAT YOU CONSIDER --

BOARD MEMBER FRAZEE: SO THAT WOULD BE THE JUNE BOARD MEETING?

MR. CHANDLER: THAT WOULD BE THE JUNE BOARD MEETING.

BOARD MEMBER CHESBRO: CAN WE NOT -- MY INTENTION WAS, I DON'T KNOW IF THIS IS POSSIBLE, BUT MY INTENTION WAS CAN WE NOT DIRECT WHERE THAT ALLOCATION WOULD GO NOW RATHER THAN HAVING IT OCCUR AS AN AGENDA ITEM AT THAT POINT AND JUST SAY WHAT DATE WOULD TRIGGER THAT SO THAT WE'VE MADE THAT PROVISION IN ADVANCE? THAT'S THE INTENTION OF MY MOTION, BUT I DON'T KNOW IF WE CAN DO THAT.

MR. CHANDLER: I DON'T SEE WHY NOT, ALTHOUGH I WOULD ASSUME YOU'D WANT TO BE BACK IN A PUBLIC SETTING WHERE I WOULD REPORT THAT WE DON'T

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HAVE THE INFORMATION AVAILABLE AND THEN REMIND YOU OF WHAT YOUR ACTION WAS. IF THAT'S THE --

BOARD MEMBER CHESBRO: I'M JUST LOOKING TO PROVIDE THE MAXIMUM ASSURANCE TO MY COLLEAGUES HERE WHO HAVE EXPRESSED CONCERN ABOUT WHAT IF, THAT THINGS ARE LOCKED IN AS MUCH AS POSSIBLE, ABOUT NOT LOSING THE MONEY TO THIS OR NEXT YEAR'S FISCAL EXPENDITURE CAPABILITY, THAT WE'RE ABLE TO PUT THE MONEY OUT FOR OTHER THINGS. I CAN GO EITHER WAY IN TERMS OF, YEAH, PUT IT ON THE AGENDA IN JUNE OR WE TRY TO DIRECT THAT TODAY, BUT I WANT TO PROVIDE AN ASSURANCE THAT THE MONEY IS NOT GOING TO BE LOST TO OUR EXPENDITURE AUTHORITY.

MS. TRGOVCICH: MR. CHAIRMAN, IF I COULD JUST ADD FROM STAFF'S PERSPECTIVE, IT WOULD BE YOUR DIRECTION THAT PART OF THOSE MONIES, IF THOSE MONIES WERE NOT BE COMMITTED TO THE RRAC PROJECTS, THEY WOULD SOMETIME IN JUNE BECOME AVAILABLE THEN FOR THE LEVEE CONSTRUCTION FEASIBILITY PROJECT, THAT WE WOULD REALLY NEED TO BEGIN DISCUSSIONS TOMORROW, WHICH WE HAVE ALREADY ACTUALLY BEGUN TO NEGOTIATE AND DEVELOP AN AGREEMENT WITH THE CORPS OF ENGINEERS OR UNIVERSITY THAT'S WORKING IN THIS AREA AS WELL TO BE ABLE TO HAVE THAT AGREEMENT READY TO GO. BECAUSE WE WOULD STILL NEED TO -- IT

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STILL NEEDS TO GO THROUGH AND BE PROCESSED BY DGS LEGAL AT THAT POINT, GENERAL SERVICES, SO WE WOULD NEED TO BE SIMULTANEOUSLY WORKING TO DEVELOP THAT AGREEMENT AT THE SAME TIME.

CHAIRMAN PENNINGTON: RIGHT. IT WOULD SEEM TO ME THAT WE WOULD HAVE TO SET A DATE THAT'S EARLIER THAN THE JUNE BOARD MEETING. LET'S REMEMBER THAT LAST YEAR, AT THE VERY END OF THE FISCAL YEAR, WE WERE TRYING TO GET A CONTRACT OUT THAT ENDED UP BEING A PROBLEM TO US.

BOARD MEMBER CHESBRO: MY PURPOSE, AND MAYBE I'M MISUNDERSTANDING THE -- MY PURPOSE WAS TO TALK ABOUT ENHANCING EXISTING CONTRACTS RATHER THAN -- AND I THINK WE SHOULD PUT THE MONEY INTO AREAS WHERE THERE'S AN EXISTING CONTRACTUAL NEED, SO WE WOULDN'T -- AND MAYBE I MISREAD THE PROPOSAL.

CHAIRMAN PENNINGTON: I THINK THAT'S RIGHT.

BOARD MEMBER CHESBRO: RATHER THAN GENERATING A NEW CONTRACT IN TWO WEEKS, YOU KNOW, OR TRYING TO GET THE MONEY OUT THE DOOR WITH A NEW CONTRACT BETWEEN THE BOARD MEETING IN JUNE AND THE END OF THE MONTH.

CHAIRMAN PENNINGTON: MR. FRAZEE.

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BOARD MEMBER FRAZEE: FOR A PRACTICAL MATTER, IF YOU LOOK AT THE LIST OF THESE, THERE'S ONLY ONE PLACE IT CAN GO, AND THAT IS IN ADDITIONAL CLEANUP CONTRACTS. THE PLAYGROUND MATS ARE FULLY FUNDED, THE RMDZ LOAN PROBABLY ISN'T GOING TO HAVE ROOM TO DO ANYTHING, EMISSION ANALYSIS AUGMENTATION, I THINK, IS CAPPED, PRINTING MATERIALS, THE CIVIL ENGINEERING AUGMENTATION IS CAPPED. WE DON'T KNOW ABOUT THE LEVEE CONSTRUCTION FEASIBILITY. SO THAT LEAVES CLEANUP AND PRUDENT RESERVE. AND IT SEEMS TO ME THAT CLEANUP IS AN ONGOING CONTRACT WHERE YOU CAN EXPEND ADDITIONAL MONIES ON THAT ONE, AND THAT'S REALLY THE ONLY PLACE IT CAN GO.

BOARD MEMBER CHESBRO: WELL, THEN, THAT'S WHERE WE SHOULD PUT IT, YOU KNOW. THERE IS OBVIOUSLY ADDITIONAL NEED THERE.

CHAIRMAN PENNINGTON: I ONLY HAVE -- I THINK WE'RE WORKING TOWARDS A RESOLUTION HERE, BUT I AM CONCERNED ABOUT THE FACT THAT WE'VE HAD NO SOLICITATION ON THIS AND THAT IF THERE ARE OTHER COMMUNITIES OUT THERE WHO WOULD LIKE TO HAVE PARTICIPATED, WE REALLY HAVEN'T GIVEN THEM AN OPPORTUNITY TO DO THAT, THAT WE SOMEHOW CAME UP WITH THESE FOUR JURISDICTIONS.

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I HAVE AGREED WITH YOU CONSTANTLY THAT I HAVE NO PROBLEM WITH THESE JURISDICTIONS IF THEY FIT WITHIN THE SCOPE OF THE THING. SO I GUESS IT'S TOO LATE TO TRY TO RESOLVE THAT CONCERN, BUT I MUST SAY THAT I WOULD LIKE FOR WHATEVER WE DO TO AT LEAST FOLLOW THE STATUTE, AND THE STATUTE DOES REQUIRE THAT WE EVALUATE SOME KIND OF AN APPLICATION, WHETHER IT'S A LETTER OR WHETHER IT IS IN TERMS OF THE TIRES THAT IT'S GOING TO USE AND HOW IT APPLIES. SO THERE'S SPECIFIC STATUTE LANGUAGE THAT TELLS US WHAT WE MUST DO WHEN WE GIVE A GRANT OF THIS NATURE. AND I WOULD CERTAINLY LIKE THAT ADDRESSED BY HOWEVER WE'RE COMMUNICATING WITH THESE PEOPLE.

I LOOK AT THE CITY OF RICHMOND, I HAVE NO IDEA FROM THAT LETTER WHAT IT IS THAT THEY PLAN ON DOING. THE FIRST HINT I GOT WAS FROM SENATOR LEE WHO SAID THEY'RE GOING TO WORK WITH THE PORT AUTHORITY. TO DO WHAT, I HAVE NO IDEA. I WOULD LIKE TO KNOW THESE THINGS BEFORE WE SPEND MONEY.

BOARD MEMBER CHESBRO: WELL, AND THAT'S GOING TO BE, AS I SAID, PINNED DOWN. I JUST WANT TO POINT OUT THAT WE HAVE A VASTLY, FOUR OR FIVE TIMES LARGER CONTRACT WITH THE COUNTY OF L.A. THAT

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WAS APPROVED BY THE BOARD IN NOVEMBER. IT WAS ESSENTIALLY A GRANT CONTRACT, WHATEVER YOU WANT TO CALL IT, LEGALLY I BELIEVE IT'S THE SAME THING, WHICH WAS APPROVED WITHOUT A COMPETITIVE PROCESS, EVEN THOUGH WE HAD BOTH PRIVATE AND PUBLIC ENTITIES WHO EXPRESSED AN INTEREST IN THE COMPETITIVE PROCESS. THE BOARD SAID, NO, WE WANT TO GO WITH L.A. COUNTY.

CHAIRMAN PENNINGTON: ACTUALLY, THAT'S NOT TOTALLY CORRECT BECAUSE THE CITY OF L.A. SAID THAT THEY WANTED TO MAKE A PROPOSAL AND WE ASKED THEM TO GIVE US A PROPOSAL. AND WE DIDN'T GRANT THE L.A. COUNTY CONTRACT UNTIL AFTER THEY TOLD US THEY DID NOT WANT TO MAKE A PROPOSAL.

BOARD MEMBER CHESBRO: WELL, MAYBE WE SHOULD HAVE PUT A NOFA OUT AND GIVEN THEM MORE TIME. IN ADDITION TO THAT, IN THE FINAL ROUND -- THE OTHER EXAMPLE IS IN THE FINAL ROUND OF -- THE MOST RECENT ROUND OF THE COMPOST DEMONSTRATION PROJECTS, WHICH, AGAIN, IF YOU CHECK THE TRANSCRIPT OF THE YUBA COUNTY MEETING, WE PATTERNED THIS PROJECT AFTER -- WE WERE SEEKING UNDERUTILIZED PORTIONS OF THE STATE -- IT'S KIND OF A REVERSE OF THE SITUATION WITH COMPOST WHERE L.A. COUNTY WAS THE UNDERUTILIZED AREA WITH

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COMPOST. AND WE SAID, LET'S NOT DO A COMPETITIVE PROCESS. LET'S GO IN AND TRY TO FIND --

BOARD MEMBER RELIS: MR. CHAIR, I'M GOING TO HAVE TO RESPOND TO THAT.

BOARD MEMBER CHESBRO: PLEASE DON'T INTERRUPT ME. MAY I FINISH MY COMMENTS?

BOARD MEMBER RELIS: OKAY. GO AHEAD.

BOARD MEMBER CHESBRO: IN ADDITION TO THAT, IN RECENT YEARS WE'VE GIVEN A MILLION DOLLARS TO THE LEAGUE OF CALIFORNIA CITIES, A MILLION DOLLARS TO THE COUNTY SUPERVISORS ASSOCIATION, A MILLION DOLLARS TO THE CALIFORNIA BROADCASTERS ASSOCIATION, ALL WITHOUT COMPETITIVE PROCESSES. AND IT IS NOT -- THIS IS -- FOR SOME REASON THESE PROJECTS WERE SINGLED OUT FOR THIS KIND OF FOCUS, WHEN, IN FACT, WE DISCUSSED IN NOVEMBER IN GREAT DETAIL THE QUESTION ABOUT WHETHER IT WAS WISE TO GO TO A COMPETITIVE PROCESS OR NOT.

AND IF YOU'LL READ THAT TRANSCRIPT, IT IS ABUNDANTLY CLEAR THAT THE OPPORTUNITY TO RAISE THESE ISSUES EXISTED THEN. AND NO BOARD MEMBER RAISED CONCERNS ABOUT WHETHER WE SHOULD GO

TO A COMPETITIVE PROCESS. THE ARGUMENTS WERE ALMOST EXCLUSIVELY IN THE DIRECTION OF HOW DO

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WE

AVOID THE COST. AND ALSO SOME OF THE PROBLEMS THAT MR. FRAZEE RAISED ABOUT THE LACK OF FOCUS THAT CAME OUT OF THE PREVIOUS RRAC COMPETITIVE PROCESSES, THAT WE HADN'T GOTTEN ZEROED IN, FOCUSED, TARGETED KINDS OF PROJECTS THAT WE WERE LOOKING FOR.

SO, YOU KNOW, BOTH ON THE -- TO SUMMARIZE, THERE ARE MANY PRECEDENTS, INCLUDING A PRECEDENT IN THIS PROCESS, A LARGE ONE, WHICH IS THE L.A. COUNTY PROPOSAL. AND FURTHERMORE, WE HAD A VERY SPECIFIC DISCUSSION ABOUT WHETHER THIS WAS A GOOD IDEA. AND I DON'T RECALL, AND THE MINUTES DO NOT SHOW -- THE RECORD DOES NOT SHOW AN OBJECTION TO THE DECISION TO GO TO A NONCOMPE-TITIVE PROCESS AT THAT POINT.

BOARD MEMBER RELIS: I DIDN'T REALLY WANT TO GO AND HAVE TO RESPOND TO THIS, AND I THINK WE'RE GETTING OFF THE SUBJECT, BUT, FIRST OF ALL, THE FUNDAMENTAL DIFFERENCE BETWEEN WHAT WE'RE TALKING ABOUT IS A DISCOMFORT LEVEL THAT COMMITTEE MEMBERS AND BOARD MEMBERS HAVE HAD WITH THE PROCESS. SO IT IS DIFFERENT THAN WHAT WE HAD IN THE OTHER PROPOSALS. WE HAD BOARD UNANIMITY ON THOSE POINTS. WE HAD CONTRACTS.

WE HAD -- IN THE STATE -- IN THE

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L.A. PROGRAM, THAT WAS THE STATEWIDE ASSISTANCE CONTRACT. IT'S NOT A SPECIFIC JURISDICTION. I'M NOT RAISING THIS TO PUT A DAMPER ON YOUR PROPOSAL, MR. CHESBRO, BUT THEY ARE DIFFERENT AND DISTINCT AND THE CONDITIONS ARE DIFFERENT.

MR. PENNINGTON HAS RAISED, I THINK, APPROPRIATE POINTS. WE NEED TO BE CONSISTENT, WE NEED TO BE ABLE TO BACK THIS UP. WE ARE SEEKING FROM YOU AS THESE PROPOSALS COME FORWARD THAT ASSURANCE. THAT'S ALL. SO I DON'T THINK WE NEED TO GO INTO HISTORY. I THINK WE -- YOU KNOW WHAT THE ISSUES ARE, AND WE JUST NEED TO SEE THE RESPONSE BACK AND THEN DEAL WITH IT.

BOARD MEMBER CHESBRO: WELL, I'VE OFFERED EACH OF YOU INDIVIDUALLY, AND ALSO ON THE RECORD HERE TODAY, THAT WE WILL COMPLETELY ADDRESS THOSE ISSUES THAT YOU HAVE RAISED. AND SO AGAIN, I'M OFFERING YOU THAT ASSURANCE. AND I -- YOU'RE RIGHT. WE'RE GOING BACK AND REDEBATING THE ISSUE, SO I WILL WITHHOLD DOING THAT FURTHER.

CHAIRMAN PENNINGTON: OKAY. WOULD YOU LIKE TO -- OH, WAIT A MINUTE. WE GOT SO -- WE HAVE ONE PERSON FROM THE PUBLIC THAT WOULD LIKE TO ADDRESS THIS ISSUE. I CAN'T IMAGINE WHY THEY'D WANT TO GET INTO THE MIDDLE OF THIS.

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MR. BARRY TAKALOU?

MR. TAKALOU: CHAIRMAN PENNINGTON, MEMBERS OF THE BOARD, JUST ON THE SUBJECT OF THE CITY OF SAN FRANCISCO, SINCE WE'RE RESPONSIBLE CONSULTING DEVELOPMENT OF THE -- WE'RE DEVELOPING RUBBER ASPHALT SPECIFICATION FOR THEM, JUST AS FAR AS PROGRESS ON THAT PROJECT, THE SPECIFICATION IS COMPLETED. THE DEPARTMENT OF PUBLIC WORKS, THE PROJECT FOR RUBBER ASPHALT IS SELECTED FOR PAVING. AND I THINK THEY'RE GOING TO START USING RUBBER AS ASPHALTING THIS YEAR, AND THEY'RE GOING TO DO THE PAVING. THAT WAS THE COMMENT. THANK YOU.

CHAIRMAN PENNINGTON: THANK YOU, MR. TAKALOU.

OKAY. MR. FRAZEE?

BOARD MEMBER FRAZEE: MR. RELIS RAISES AN INTERESTING POINT. THIS LIST THAT WE'RE WORKING OFF OF HERE DOES NOT HAVE THE 200,000 IN IT, SO YOU'RE GOING TO HAVE TO REDUCE THAT 200,000 OUT OF THESE ITEMS IN ORDER TO ACCOMMODATE IT.

BOARD MEMBER CHESBRO: I PRESUMED THEY WERE REDUCED BY THE AMOUNTS THAT MR. JONES HAD PROPOSED TO RAISE THEM PRIOR TO THIS PROPOSAL.

MR. CHANDLER: MR. FRAZEE, IF IT WOULD HELP, WHAT I'VE ASKED CAREN TO DO IS PUT UP ON THE

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SCREEN A DISPLAY THAT WOULD REFLECT MR. CHESBRO'S MOTION SO YOU'LL HAVE BEFORE YOU MOTION NO. 1 PRESENTED BY MR. JONES, AND, IF YOU WILL, THE ALTERNATIVE MOTION BY MR. CHESBRO WITH THE DOLLAR AMOUNTS.

BOARD MEMBER RELIS: WOULD THAT STILL GIVE US THE LEVEE WORK?

MR. CHANDLER: WELL, LET'S LOOK AT IT.

BOARD MEMBER GOTCH: I HAVE A QUESTION FOR STAFF, IF I MAY, REGARDING THE ENGINEERING MONIES. WHAT IS THE BASIS FOR THIS AUGMENTATION? I UNDERSTAND THAT THEY'RE NOT GOING TO BE COMING BEFORE THE BOARD WITH AN EXPLANATION OR A COMMITTEE ITEM UNTIL NEXT MONTH OR THE MONTH AFTER. AND I'M WONDERING IF WE SHOULD HAVE THE INFORMATION FIRST TO JUSTIFY AUGMENTING THIS.

MS. LAVERGNE: WE'RE HAPPY TO COME BEFORE THE BOARD ANYTIME TO DISCUSS CIVIL ENGINEERING APPLICATIONS BEING WORKED ON. I CAN GIVE YOU A VERBAL UPDATE AT THIS TIME. THE CONTRACT, AS YOU KNOW, WAS FOR $245,000. WE HAVE APPROXIMATELY 30,000 IN WORK ORDERS OUT AT THE CURRENT TIME. AND IN WORKING WITH THE CONTRACTOR AND STAFF AND BOARD CONSULTANTS HAVE COME UP WITH A NUMBER OF VERY PROMISING APPLICATIONS TO DO ADDITIONAL WORK

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ON. THAT LIST HAS BEEN PROVIDED TO BOARD MEMBERS IN THE FORM OF A MEMO FROM MYSELF WITH AN ATTACHMENT PROVIDING THE WORK OF THE CONTRACTOR, AND I WOULD BE HAPPY TO PROVIDE ADDITIONAL COPIES OF THAT PRIOR MEMO. IT WAS SENT TO YOU PERHAPS A MONTH AGO.

IT INDICATES PROMISING WORK IN SUCH AREAS AS LANDFILL CLOSURE FOUNDATION LAYER, LANDFILL LEACHATE DRAINAGE SYSTEMS, LANDFILL GAS COLLECTION MEDIA, SEISMIC BASE ISOLATION FOR STRUCTURES, SEWAGE SLUDGE COMPOSTING, AND A NUMBER OF OTHER PROJECTS. LOOKING AT THOSE PROJECTS TOGETHER AND THE KIND OF PORK THAT THE CONTRACTOR WOULD PROPOSE DOING WITH BOARD STAFF, WE'RE LOOKING AT ANYWHERE IN THE NEIGHBORHOOD OF $250,000 TO $350,000 IN ADDITIONAL VERY PROMISING WORK. THE RANGE THERE IS DEPENDENT UPON WHAT IS FOUND IN THE VARIOUS INITIAL FEASIBILITY STUDIES THAT WOULD BE DONE BEFORE THEY DO TESTING. THERE'S A RANGE OF COSTS THERE, A HIGH AND LOW.

CHAIRMAN PENNINGTON: BUT THESE ARE EXISTING CONTRACTS.

MS. LAVERGNE: THIS IS THE EXISTING GEOSYNTECH CONTRACT THAT YOU WERE DISCUSSING AUGMENTING BY $73,500.

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CHAIRMAN PENNINGTON: SO WE ALREADY HAVE AN IDEA WHAT THEY'RE DOING.

MS. LAVERGNE: THAT'S CORRECT. AND WE HAVE BEEN REPORTING TO THE COMMITTEE AND IN PERSONAL COMMUNICATION WITH BOARD MEMBERS ABOUT THE CONTRACT.

CHAIRMAN PENNINGTON: MR. CHESBRO, WOULD YOU LIKE TO RESTATE YOUR SUBSTITUTE MOTION?

BOARD MEMBER CHESBRO: IT IS TO REINSTATE THE $200,000 RRAC GRANT ITEM. CAREN, IS THAT REFLECTED UP THERE?

MS. TRGOVCICH: WELL, I DIDN'T INCLUDE RRAC BECAUSE WHAT THIS SHOWS ARE THE REALLOCATION OF FUNDS. AND AS I UNDERSTAND, MR. CHESBRO, WHAT YOU'RE STATING, THAT THE RRAC FUNDS ARE NOT AVAILABLE FOR REALLOCATION.

BOARD MEMBER CHESBRO: RIGHT. SO IT WOULD PUT THAT BACK INTO THE PREVIOUS ALLOCATION AND THAT WOULD CHANGE THESE ALLOCATIONS, I BELIEVE, TO AS THEY READ THERE. AND FURTHERMORE, WOULD REALLOCATE -- IF THE CONTRACTS, THE FOUR RRAC CONTRACTS, ARE NOT COMPLETED AND APPROVED

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BY

23 THE BOARD MEETING IN JUNE, THEN IT WOULD

24 REALLOCATE THE $200,000 TO CLEANUP CONTRACTS

AT
25 THAT TIME.

1 MS. TRGOVCICH: IF THIS WILL HELP OUT THE
2 MEMBERS, WHAT THIS REPRESENTS, THEN, IS THE
3 COMMITTEE RECOMMENDATION, PLUS THE ADDITIONAL
4 $7,079 FOR PLAYGROUND MATS. I NEVER CLAIMED TO BE
5 A MATH WIZARD.
6 BOARD MEMBER CHESBRO: CAN YOU PUT THOSE
7 FORWARD SO WE CAN GET THIS LIST RIGHT, THEN, TO
8 MAKE SURE THAT IT'S --
9 BOARD MEMBER JONES: I WANT TO MAKE SURE
10 THE MATH IS RIGHT. IT'S AMAZING. IT'S EXACTLY
11 WHAT I THOUGHT WE WERE GOING TO SPEND. I'LL HAVE
12 TO REDO MY SPEECH AGAIN SO WE STAY FOCUSED ON
13 WHAT'S REAL IMPORTANT HERE.
14 WE'VE GOT -- OKAY. YOUR AMENDMENT
15 TO MY MOTION WAS TO INCLUDE RRAC?
16 BOARD MEMBER CHESBRO: WELL, TO REINSTATE
17 RRAC.

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18 BOARD MEMBER JONES: AT A LEVEL OF

19 200,000?

20 BOARD MEMBER CHESBRO: RIGHT.

21 BOARD MEMBER JONES: ALL RIGHT. THEN

22 I --

23 MR. CHANDLER: IF I UNDERSTAND WHAT

CAREN

24 HAS ATTEMPTED TO DO, IF YOU DO THAT, THEN YOU

HAVE

25 BEFORE YOU, IN OPTION 2, THE ALLOCATION THAT

WOULD

RESULT WITH THE REINSTATEMENT OF 200,000 TO PLAYGROUND MATS, THE LOAN, EMISSION ANALYSIS, PRINTING MATERIALS, CIVIL ENGINEERING, PRUDENT RESERVE. IS THAT CORRECT, CAREN?

MS. TRGOVCICH: YES.

MS. LAVERGNE: YOU HAVE ESSENTIALLY THE COMMITTEE RECOMMENDATION FROM 200 -- PAGE 200 OF YOUR PACKET WITH THE ADDITIONAL MONEY SHOWING FOR THE PLAYGROUND MATS.

BOARD MEMBER JONES: OKAY. BUT IF THIS MOTION OF MR. CHESBRO'S IS VOTED DOWN, THEN DOES IT GO BACK TO MY ORIGINAL MOTION?

CHAIRMAN PENNINGTON: RIGHT.

BOARD MEMBER JONES: ALL RIGHT.

MR. CHANDLER: YOU WANT TO PUT THAT BACK UP JUST TO SEE IF THOSE NUMBERS ARE ACCURATE?

BOARD MEMBER JONES: WELL, WE'RE GOING TO HAVE A PROBLEM IN THE NUMBERS THAT ARE UP THERE RIGHT NOW BECAUSE WE HAVE $35,000 WE NEED FOR A FEASIBILITY STUDY, AND THAT'S -- AND THAT'S NOT ON THAT LIST.

MR. CHANDLER: THAT'S NOT IN YOUR MOTION?

BOARD MEMBER JONES: NOT ON THIS SECONDARY MOTION THAT I SAW UP THERE.

MR. CHANDLER: YOU'RE TALKING ABOUT THE

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LEVEE PROJECT?

BOARD MEMBER JONES: I'M TALKING ABOUT THE LEVEE FEASIBILITY. THOSE ARE MY -- THAT'S MY MOTION. THIS IS THE AMENDED MOTION, AS I UNDERSTAND IT.

BOARD MEMBER CHESBRO: IF I MAY, MR. JONES, I WOULD SUGGEST EITHER THE CONTINGENCY OR THE CIVIL ENGINEERING AUGMENTATION TO BE ONE OF THEM. I'M OPEN, OF COURSE, BUT I THINK THERE ARE OTHER WAYS TO ACHIEVE REINSTATING THAT.

BOARD MEMBER RELIS: WOULD THERE BE A PROBLEM DOING IT OUT OF THE CONTINGENCY OR THE PRUDENT RESERVE IN THIS -- WHAT WOULD -- THERE ISN'T A LEGAL PROBLEM WITH THAT, IS THERE?

MR. CHANDLER: I THINK MR. CHESBRO NEEDS TO BE CLEAR ON WHAT HE WANTS THE ALLOCATIONS TO LOOK LIKE IN HIS ALTERNATIVE MOTION. AND IF YOU'D LIKE TO PUT ANOTHER 35,000 INTO A FEASIBILITY STUDY, THEN I THINK -- I DON'T WANT TO MAKE YOUR MOTION FOR YOU, BUT --

BOARD MEMBER CHESBRO: I'M FEELING MY WAY HERE IN TERMS OF WHAT IS ACCEPTABLE TO OTHER BOARD MEMBERS. I DON'T WANT TO THROW IT OUT THERE. THOSE ARE TWO OPTIONS THAT I COULD PUT INTO THE AMENDMENT TO MAKE SURE THAT THAT --

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CHAIRMAN PENNINGTON: WHAT --

BOARD MEMBER JONES: 35,000.

MS. TRGOVCICH: MR. JONES, PERHAPS THE NUMBERS CLARIFICATION, I DON'T KNOW IF THIS HELPS YOU OUT AT ALL, BUT WHAT I JUST REALIZED, WE WERE WORKING OFF THE ORIGINAL NUMBERS WHICH DIDN'T ACCOUNT FOR THE ADDITIONAL 15,000 AVAILABLE THROUGH THE GRANT PROGRAM, PLUS THE $1,500 WHICH BECAME AVAILABLE WHEN WE REALIZED THAT 30 PERCENT OF 243 IS NOT 75. SO IN REALITY, WHAT WE SHOW AS AN ADDITIONAL $5,579 OVER THE ORIGINAL 350, BUT THEN THAT WOULD MEAN YOU STILL HAVE REMAINING SOMEWHERE AROUND 9,000.

BOARD MEMBER CHESBRO: IF YOU WOULD LIKE, MR. JONES, I'LL JUST CUT TO THE CHASE AND SUGGEST THAT WE TAKE $35,000 FROM THE PRUDENT RESERVE TO FUND THE LEVEE ITEM THAT YOU HAD PROPOSED.

MS. LAVERGNE: IT MAY ALSO BE HELPFUL TO POINT OUT THAT WHEN YOU ACTED IN NOVEMBER AND SET UP THE ORIGINAL ALLOCATIONS, THE AMOUNT ALLOCATED FOR THE PRUDENT RESERVE WAS, IN FACT, 500,000, NOT 560,000. THE AMOUNT WENT UP BASED ON A NUMBER OF BUDGETING ISSUES THAT OCCURRED. YOUR ALLOCATION WAS FOR 500,000 AT THAT TIME.

BOARD MEMBER CHESBRO: I WILL STICK WITH

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THE PRUDENT RESERVE AS THE SOURCE OF IT.

MR. CHANDLER: SO, CAREN, WHY DON'T YOU REFLECT ANOTHER 35,000 ON OPTION 2 FOR THE FEASIBILITY STUDY, AND THE BOARD WILL HAVE BEFORE THEM TWO OPTIONS, TWO PROPOSED MOTIONS THAT ALLOCATE THE FUNDING BY SPECIFIC CATEGORIES. I READ YOUR DISCUSSIONS.

IS THAT ACCURATE, MEMBERS? I DON'T WANT TO -- I MEAN, IT SEEMS TO ME WE NEED TO PUT THIS ITEM BEFORE YOU IN A FORM WHERE WE CAN GET SOME DIRECTION AND MOVE ON. WHAT WE STILL HAVE IS A LONG AGENDA AHEAD OF US TODAY.

CHAIRMAN PENNINGTON: ARE YOU CLEAR ON THE NUMBERS?

BOARD MEMBER JONES: CLEAR ON THE NUMBERS, BUT NOT HAPPY WITH --

CHAIRMAN PENNINGTON: WELL, I'M NOT HAPPY WITH TAKING IT ALL OUT OF THE PRUDENT RESERVE.

BOARD MEMBER CHESBRO: SUGGEST SOMETHING ELSE.

CHAIRMAN PENNINGTON: I DID. I SUGGESTED WE SPLIT IT BETWEEN THE PRUDENT RESERVE AND THE PLAYGROUND MATS. WE'VE GIVEN OVER 300,000 TO PLAYGROUND MATS, WE'RE AUGMENTING

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IT BY $100,000,
25 AND WE CAN'T GIVE UP $15,000 OUT
OF THERE?

1 BOARD MEMBER GOTCH: LET ME REMIND YOU
2 ALSO WE DO HAVE THAT $73,500 FOR THE CIVIL
3 ENGINEERING MONEY THAT ARE NOT -- ACTUALLY, WE DO
4 NOT HAVE AN ANSWER BACK YET AND WE WILL NOT
5 UNTIL --
6 CHAIRMAN PENNINGTON: WHAT DO YOU MEAN WE
7 DON'T HAVE AN ANSWER BACK? WE HAVE AN EXISTING
8 CONTRACT.
9 BOARD MEMBER GOTCH: WE HAVE EXISTING
10 CONTRACT, I AGREE. THEY'RE GOING TO BE GETTING
11 BACK TO US IN A MONTH OR TWO AT THE COMMITTEE --
12 AM I CORRECT IN THIS?
13 MS. LAVERGNE: WE WERE NOT PLANNING ANY
14 PRESENTATION UNLESS WE ARE DIRECTED TO DO SO

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15 TODAY. AS I INDICATED, WE HAD COMMUNICATED WITH

16 POLICY COMMITTEE SOMETIME BACK AND HAVE BEEN

17 PROVIDING PERIODIC REPORTS TO BOARD MEMBERS ON THE

18 PROGRESS OF THE CONTRACT. AND WE DO HAVE PLANS TO

19 FULLY EXPEND THE CONTRACT.

20 BOARD MEMBER GOTCH: I'M OKAY TO VOTE.

21 CHAIRMAN PENNINGTON: OKAY. THE

22 SUBSTITUTE MOTION IS BEFORE US. WOULD YOU CALL

23 THE ROLL?

24 BOARD SECRETARY: BOARD MEMBER CHESBRO.

25 BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: NO.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: NO.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: NO.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: NO.

OKAY. NOW WE GOT TO --

BOARD MEMBER CHESBRO: MR. CHAIRMAN, I'LL MAKE ANOTHER SUBSTITUTE MOTION TO SPLIT IT THREE WAYS, BETWEEN THE RESERVE, CIVIL ENGINEERING, AND THE PLAYGROUND MATS FOR THE -- TO COME UP WITH THE SOURCE OF THE $35,000.

CHAIRMAN PENNINGTON: YOU'LL NEED A SECOND.

BOARD MEMBER GOTCH: I WILL SECOND.

CHAIRMAN PENNINGTON: THE THINK THE MOOD IS THAT WE SPLIT IT BETWEEN THE PRUDENT RESERVE AND THE PLAYGROUND MATS.

YOU'VE SECONDED. YOU HAVE HEARD THAT. WILL THE SECRETARY CALL THE ROLL?

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25 BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: NO.

BOARD SECRETARY: SORRY ABOUT THAT.

JONES.

BOARD MEMBER JONES: NO.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: NO.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: NO.

MOTION FAILS.

BOARD MEMBER CHESBRO: MR. CHAIRMAN, I'D LIKE TO MAKE A MOTION TO AMEND THAT WE ADOPT A NEW BOARD POLICY THAT ALL LOCAL GRANT AGREEMENTS BE COMPETITIVE, INCLUDING THE L.A. COUNTY PROJECT AND THE FOUR RRAC PROJECTS.

BOARD MEMBER RELIS: THERE'S A MOTION ON THE FLOOR.

BOARD MEMBER CHESBRO: THIS IS A MOTION TO AMEND THAT MOTION.

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23 CHAIRMAN PENNINGTON: OKAY. YOU WANT

TO

24 STATE YOUR MOTION AGAIN?
25 BOARD MEMBER CHESBRO: THAT THE BOARD

ESTABLISH A NEW POLICY THAT ALL LOCAL GOVERNMENT GRANT AGREEMENTS MUST BE COMPETITIVE, GO TO A COMPETITIVE PROCESS, INCLUDING THE L.A. COUNTY PROJECT, WHICH IS IN THIS YEAR'S ALLOCATION, AND THE FOUR RRAC PROJECTS.

BOARD MEMBER RELIS: PROCEDURALLY, DO WE HAVE A NOTICE ON THAT ITEM?

BOARD MEMBER CHESBRO: IS THERE ANY NOTICING OF PULLING THE FOUR RRAC PROJECTS?

CHAIRMAN PENNINGTON: YES, THERE WAS A NOTICE THAT WE WERE GOING TO REALLOCATE FUNDS.

OKAY. WANT TO -- DID SOMEBODY SECOND THAT?

BOARD MEMBER GOTCH: I HAVE SECONDED IT.

CHAIRMAN PENNINGTON: OKAY. ANY FURTHER DISCUSSION ON THAT? WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: WHICH MOTION ARE WE ON?

CHAIRMAN PENNINGTON: YOU'RE ON MOTION THAT --

BOARD MEMBER CHESBRO: ANOTHER AMENDMENT.

BOARD SECRETARY: THE SAME ONE THAT WE HAD BEFORE THIS ONE EXCEPT WITH THIS AMENDMENT INSTEAD OF THE THREE-WAY?

CHAIRMAN PENNINGTON: NO.

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1 BOARD SECRETARY: IT'S MR. JONES' MOTION,
2 RIGHT?
3 CHAIRMAN PENNINGTON: NO. HE'S MADE A
4 SUBSTITUTE MOTION THAT SAYS THAT ALL LOCAL
5 GOVERNMENT GRANTS HAVE TO GO THROUGH A COMPETITIVE
6 PROCESS.
7 BOARD SECRETARY: RIGHT.
8 CHAIRMAN PENNINGTON: IS THAT CORRECT?
9 BOARD SECRETARY: WITH WHICH OPTION?
10 CHAIRMAN PENNINGTON: NO OPTION.
11 BOARD MEMBER CHESBRO: THIS IS TO AMEND
12 MR. JONES' OPTION.
13 CHAIRMAN PENNINGTON: IT'S A SUBSTITUTE
14 MOTION TO --
15 BOARD MEMBER CHESBRO: IT DOESN'T REPLACE
16 THAT, IT DOESN'T SUGGEST --
17 MR. FRAZEE: IS THIS AN INDEPENDENT
18 MOTION?
19 BOARD MEMBER CHESBRO: NO, IT'S TO AMEND
20 MR. JONES' MOTION TO -- TO ADD THE ITEMS WHICH I
21 HAVE STATED.
22 BOARD SECRETARY: OPTION 1 PLUS --
23 BOARD MEMBER CHESBRO: IT DOESN'T

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REPLACE

MR. JONES' MOTION.
BOARD SECRETARY: IT'S MR. JONES' MOTION

1 PLUS YOU ADDED THE LOCAL --

2 BOARD MEMBER CHESBRO: THIS IS TO AMEND

3 IT, AND THEN YOU'D HAVE TO --

4 MR. FRAZEE: NO.

5 BOARD MEMBER CHESBRO: -- HAVE A VOTE ON

6 THE MAIN MOTION. THIS IS AN AMENDMENT, JUST AS

7 THE OTHER TWO ATTEMPTS -- IT'S AN AMENDMENT.

8 CHAIRMAN PENNINGTON: IT'S A SEMANTICS

9 THING. I CALL IT A SUBSTITUTE MOTION.

10 CALL THE ROLL.

11 BOARD SECRETARY: BOARD MEMBER CHESBRO.

12 BOARD MEMBER CHESBRO: AYE.

13 BOARD SECRETARY: FRAZEE.

14 BOARD MEMBER FRAZEE: NO.

15 BOARD SECRETARY: GOTCH.

16 BOARD MEMBER GOTCH: AYE.

17 BOARD SECRETARY: JONES.

18 BOARD MEMBER JONES: NO.

19 BOARD SECRETARY: RELIS.

20 BOARD MEMBER RELIS: NO.

21 BOARD SECRETARY: CHAIRMAN

PENNINGTON.

22 CHAIRMAN PENNINGTON: NO.

23 BOARD MEMBER RELIS: MR. CHAIR, I

WOULD

24 LIKE TO MAKE A MOTION.

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25 CHAIRMAN PENNINGTON: WE HAVE MR. JONES'

MOTION.

BOARD MEMBER RELIS: COULD I MAKE A SUBSTITUTE MOTION AS I UNDERSTAND IT?

CHAIRMAN PENNINGTON: CERTAINLY.

BOARD MEMBER RELIS: IT WOULD BE, MR. CHAIR, YOUR MOTION THAT WHAT WAS DESCRIBED THERE WOULD BE FUNDED WITH THE RRAC PROGRAM REINSERTED AND THE LEVEE PROJECT WOULD BE FUNDED FROM THE BALANCE OF THE STABILIZATION AND THE -- WHAT IS IT, THE LEVEE OR THE MATS?

MS. TRGOVCICH: THAT'S STABILIZATION OR THE CIVIL ENGINEERING?

BOARD MEMBER RELIS: CIVIL ENGINEERING AND THE PLAYGROUND MATS.

CHAIRMAN PENNINGTON: PLAYGROUND MATS, 50/50.

MR. CHANDLER: MR. RELIS, YOU REFERRED TO MR. PENNINGTON'S MOTION, AND I DON'T BELIEVE HE -- IT IS MR. JONES' MOTION.

BOARD MEMBER RELIS: OKAY. HIS POINT. MR. JONES' MOTION. THERE HAVE BEEN SO MANY.

MR. CHANDLER: SO YOU'RE PUTTING A SUBSTITUTE MOTION TO BASICALLY --

BOARD MEMBER RELIS: CORRECT.

MR. CHANDLER: -- REINSTATE THE RRAC

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PROJECTS, AND YOU IDENTIFIED WHERE YOU THOUGHT THE FUNDING SHOULD COME FROM?

BOARD MEMBER RELIS: CORRECT.

MR. CHANDLER: OKAY. I THINK I UNDERSTAND WHAT'S BEFORE US. ARE YOU CLEAR?

BOARD SECRETARY: I'M NOT SURE WHICH OPTION WE'RE ON. ARE WE LOOKING AT JONES' OR CHESBRO'S MOTION?

CHAIRMAN PENNINGTON: WE'RE TAKING MR. CHESBRO'S ORIGINAL -- HE IS SUGGESTING MR. JONES' -- MR. CHESBRO'S MOTION TO REINSTATE THE RRAC AND TO HAVE THE PROJECTS DISENCUMBERED BY THE JUNE BOARD MEETING IF HE DOES NOT SUPPLY US WITH THE PROPER DOCUMENTATION WE HAVE ALL AGREED ON.

BOARD MEMBER FRAZEE: THAT IS AN AMENDMENT?

CHAIRMAN PENNINGTON: IT'S AN AMENDMENT TO MR. JONES' MOTION. AND THE FUNDING OF THE 35,000 IS TO BE SPLIT BETWEEN PLAYGROUND MATS AND THE CIVIL ENGINEERING, CORRECT?

BOARD MEMBER RELIS: CORRECT.

CHAIRMAN PENNINGTON: OKAY.

BOARD SECRETARY: BOARD MEMBER CHESBRO.

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25 BOARD MEMBER CHESBRO:
AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: NO.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: AYE.

MOTION CARRIES.

BOARD MEMBER JONES: MR. CHAIRMAN, MAY I ASK A QUESTION? A LONG TIME AGO, WHEN WE STARTED THIS PROCESS, AND I WAS AFRAID THAT THIS WAS GOING TO HAPPEN, AND IT HAPPENED, I MADE SOME COMMENTS THAT DIRECTED STAFF. AND I WOULD ASK MR. RELIS IF THOSE -- I HAD IDENTIFIED THEM IN MY ORIGINAL MOTION, THE DIRECTION OF STAFF TO AUGMENT THE TDF POPULATION STUDIES AND ALL THOSE THINGS, TO BE ACTIVE, TO GET THE DAMES & MOORE STUDY DONE, TO HAVE STAFF ACTIVE TO BRING DOWN BARRIERS. THAT WAS IN MY ORIGINAL MOTION. AND I'M ASKING FOR CLARIFICATION THAT ALL THOSE THINGS STAY IN MY ORIGINAL MOTION.

BOARD MEMBER RELIS: THESE ARE INTENT

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STATEMENTS. THEY DON'T CHANGE THE BUDGET.

BOARD MEMBER JONES: THEY DON'T CHANGE THE BUDGET, BUT THEY'RE VERY, VERY IMPORTANT TO ME AND TO THIS BOARD THAT WE COME OUT AND VERBALLY SAY WE ARE HERE TO TAKE DOWN BARRIERS, EVEN THOSE WE CREATE OURSELVES.

BOARD MEMBER RELIS: THAT'S FINE.

CHAIRMAN PENNINGTON: OKAY. ITEM --

BOARD MEMBER CHESBRO: WE REQUIRE A VOTE ON THE MAIN MOTION.

CHAIRMAN PENNINGTON: THAT WAS THE MAIN MOTION.

BOARD MEMBER CHESBRO: YOU MADE A MOTION THAT COVERED THE WHOLE THING, NOT JUST THE -- SO IT WAS A SUBSTITUTE MOTION.

CHAIRMAN PENNINGTON: IT WAS AN AMENDMENT.

BOARD MEMBER CHESBRO: IF IT WAS AN AMENDMENT TO THAT MOTION, THEN WE STILL NEED TO VOTE ON MR. JONES' MOTION. WELL, THEN, IT HAD TO BE A SUBSTITUTE MOTION BECAUSE THERE WAS STILL A MOTION ON THE FLOOR.

CHAIRMAN PENNINGTON: IF YOU WOULD FEEL MORE COMFORTABLE, WE CAN TAKE ANOTHER VOTE.

BOARD MEMBER CHESBRO: I'M TRYING TO

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MAKE

SURE WE COVER IT LEGALLY HERE.

MS. TOBIAS: I THOUGHT WHAT I HEARD WAS MR. RELIS WAS MAKING A SUBSTITUTE MOTION, WHICH I TOOK TO REPLACE THE MOTION OF MR. JONES. IF IT WAS AN AMENDMENT TO MR. JONES' MOTION, THEN WE NEED TO TAKE A VOTE ON THE MAIN MOTION.

BOARD MEMBER CHESBRO: WAS THE MOTION SECONDED?

BOARD SECRETARY: THERE IS NO SECOND NOW.

MR. CHANDLER: I JUST SAW FROM STAFF THERE WAS NO SECOND.

BOARD MEMBER CHESBRO: MR. RELIS' MOTION WAS NOT SECONDED? I WILL RETURN TO THE MOMENT AND SECOND IT, IF THAT'S PERMITTED.

MS. TOBIAS: IS THAT A SUBSTITUTE MOTION THEN?

BOARD SECRETARY: BUT IS IT A SUBSTITUTE OR AN AMENDMENT? I HAVE BOTH DOWN HERE. IT STARTED OUT AS A SUBSTITUTE.

BOARD MEMBER RELIS: I CALLED IT A SUBSTITUTE, I BELIEVE.

CHAIRMAN PENNINGTON: AND MR. CHESBRO SECONDED IT.

MS. TRGOVCICH: MR. CHAIRMAN?

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25 CHAIRMAN PENNINGTON: HE DID. YOU DIDN'T

HEAR HIM.

MS. TRGOVCICH: MR. CHAIRMAN, CAN -- WE REDID THESE NUMBERS. I KNOW YOU VOTED, BUT I WANT TO MAKE SURE THIS REFLECTS WHAT YOU DID. AS WE UNDERSTOOD, YOU TOOK THE 35,000 AND SPLIT IT BETWEEN PLAYGROUND MATS AND THE CIVIL ENGINEERING AUGMENTATION. THAT REDUCES THE AVAILABLE FUNDS THAT ARE BEING ADDED INTO THE PLAYGROUND MAT GRANT PROGRAM DOWN TO 82,579, AND IT REDUCES THE AUGMENTATION TO THE CIVIL ENGINEERING CONTRACT TO 56,000.

CHAIRMAN PENNINGTON: CORRECT.

MS. TRGOVCICH: OKAY.

MR. CHANDLER: AND YOU ADD THE 200, I KNOW THAT WAS THE ORIGINAL COMMITTEE --

MS. TRGOVCICH: CORRECT.

MR. CHANDLER: -- REFLECTION, BUT I WANT TO MAKE SURE EVERYTHING IS CLEAR, WE GOT THOSE PROJECTS.

CHAIRMAN PENNINGTON: OKAY. WE'LL MOVE TO ITEM 23.

BOARD MEMBER CHESBRO: MR. CHAIRMAN, I'VE

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23 HAD A REQUEST --

24 CHAIRMAN PENNINGTON: I'M SORRY.
25 BOARD MEMBER CHESBRO: I'VE HAD A REQUEST

FROM SUPERVISOR LARRY WALKER THAT WE TAKE THE APPEAL ITEM, IT'S UP TO YOU, MR. CHAIRMAN, BUT HE HAD ASKED -- I THINK HE'S GONE BACK UPSTAIRS, BUT HE IS INTERESTED IN HAVING THAT ITEM TAKEN UP. THE QUESTION OF WHETHER OR NOT WE HEAR THE APPEAL ON -- WHAT NUMBER IS THAT -- 31.

BOARD SECRETARY: WE NEED A PAPER BREAK FOR THE COURT REPORTER.

CHAIRMAN PENNINGTON: I THINK I NEED A BREAK, TOO. TAKE A FIVE-MINUTE BREAK HERE.

(BREAK TAKEN.)

CHAIRMAN PENNINGTON: OKAY. WE'RE BACK ON. WE'RE GOING TO MOVE ITEM 31, WHICH IS CONSIDERATION OF WHETHER TO SCHEDULE A HEARING FOR AN APPEAL FROM A DECISION OF THE SAN BERNARDINO COUNTY SOLID WASTE INDEPENDENT HEARING PANEL FILED BY PACIFIC SOUTHWEST FARMS.

BOARD MEMBER CHESBRO: I HAVE SOME EX PARTES, IF I MAY, MR. CHAIRMAN, ON THIS ITEM. I SPOKE TO SUPERVISOR LARRY WALKER OF SAN BERNARDINO COUNTY. WE'RE GOING TO HEAR FROM, SHORTLY, BETSY STARBUCK.

CHAIRMAN PENNINGTON: THANK YOU. ANY

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OTHER EX PARTES?
OKAY. ELLIOT?

MR. BLOCK: GOOD AFTERNOON. I'M ELLIOT BLOCK, STAFF COUNSEL WITH THE BOARD. TODAY MUST BE MY DAY FOR EXPEDITED PRESENTATIONS. I'M GOING TO CUT THIS ONE FAIRLY SHORT BECAUSE OF THE TIME PRESSURES AND JUST NOTE THAT IN YOUR AGENDA PACKET, STARTING ON PAGE 300, THERE ARE ADDITIONAL DETAILS WHICH I'M NOT GOING TO GO INTO IN MY PRESENTATION. AND, OF COURSE, OBVIOUSLY, I CAN ANSWER ANY QUESTIONS YOU HAVE.

BASICALLY, THE ITEM BEFORE YOU IS THE RESULT OF AN APPEAL THAT WAS FILED BY PACIFIC SOUTHWEST FARMS TO A HEARING PANEL DECISION BY THE SAN BERNARDINO COUNTY LOCAL INDEPENDENT HEARING PANEL. THE STATUTE PROVIDES THAT THE BOARD HAS -- THERE'S ACTUALLY FOUR OPTIONS, BUT THREE OPTIONS THAT ARE RELEVANT IN DETERMINING THIS MATTER FOR TODAY'S AGENDA ITEM: DETERMINING NOT TO HEAR THE APPEAL IF NO SUBSTANTIAL ISSUE IS RAISED, DETERMINING TO HEAR THE APPEAL AND DECIDE BASED ON THE RECORD AND/OR WRITTEN ARGUMENTS SUBMITTED BY THE PARTIES, OR TO DETERMINE TO HEAR THE APPEAL AND HOLD THE HEARING WITHIN 60 DAYS.

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23 FOR REASONS THAT ARE DETAILED IN THE

24 AGENDA ITEM, PRIMARILY TO DEAL WITH PROCEDURAL DUE

25 PROCESS ISSUES, STAFF'S RECOMMENDATION IS THAT THE

BOARD DETERMINE TO HEAR THE APPEAL AND SCHEDULE A HEARING WITHIN 60 DAYS OR A LATER DATE IF AGREED TO BY THE PARTIES. THAT RECOMMENDATION IS NOT BASED ON THE SUBSTANCE OF THE ISSUES AT PLAY. IT IS BASED PURELY UPON THE FACT THAT THIS IS THE FIRST APPEAL FROM A HEARING PANEL DECISION THAT THE BOARD HAS HEARD AND WE HAVE NO PROCEDURES, NO WAY OF ENSURING THAT WE HAVE ALL THE RELEVANT DOCUMENTS BEFORE US FOR THE BOARD'S CONSIDERATION.

THE 60-DAY TIME FRAME WOULD ACTUALLY RESULT IN A BOARD HEARING AT THE MAY BOARD MEETING BECAUSE 60 DAYS FROM TODAY WOULD RUN OUT ABOUT THREE DAYS BEFORE THE JUNE BOARD MEETING. HOWEVER, IF THE PARTIES WERE TO STIPULATE, WE COULD SCHEDULE THE HEARING FOR THE JUNE BOARD MEETING, WHICH HAPPENS TO BE IN PASADENA. AND THAT MAY BE MORE CONVENIENT FOR THE PARTIES. WE WILL BE, AT A FUTURE DATE, COMING BACK WITH SOME PROCEDURES FOR DEALING WITH THESE APPEALS, AND WE JUST -- AS WE RECEIVED THIS APPEAL BASICALLY LESS THAN 30 DAYS AGO, OBVIOUSLY, DIDN'T HAVE TIME TO COME FORWARD WITH SOME PROCEDURES TO DEAL WITH IT.

THAT'S REALLY THE EXTENT OF THE COMMENTS I WAS GOING TO MAKE. I UNDERSTAND THAT BOTH PARTIES ARE HERE AND THEY WANT TO MAKE

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COMMENTS ABOUT THIS DECISION, SO I THINK THAT, FOR NOW, I'LL SIMPLY DEFER TO THEM. I CAN ANSWER ANY SPECIFIC QUESTIONS YOU MIGHT HAVE AFTER THEIR PRESENTATIONS ARE DONE.

CHAIRMAN PENNINGTON: DOES ANYBODY HAVE ANY SPECIFIC QUESTIONS OF ELLIOT? IF NOT, I'LL CALL SUSAN NASH FIRST.

MS. NASH: GOOD AFTERNOON. MY NAME IS SUSAN NASH, DEPUTY COUNTY COUNSEL. I REPRESENT THE LOCAL ENFORCEMENT AGENCY.

THE LOCAL ENFORCEMENT AGENCY WOULD LIKE TO RESPECTFULLY DISAGREE WITH THE STAFF'S RECOMMENDATION ON THE ISSUE OF WHETHER, IN FACT, YOU CAN HEAR THIS -- HEAR THE ISSUE ABOUT WHETHER TO REJECT THE APPEAL BECAUSE THERE ARE NO SUBSTANTIAL ISSUES. WE DON'T BELIEVE THAT ANYBODY'S DUE PROCESS RIGHTS WILL BE VIOLATED IF THE BOARD DETERMINES NOT TO HEAR THE APPEAL FROM THE WRITTEN DECISION OF THE INDEPENDENT HEARING PANEL.

IF THE BOARD CAN DECIDE THE MATTER ON THE BASIS OF THE RECORD BEFORE THE HEARING PANEL ALONE, THEN THE BOARD CAN CERTAINLY DECIDE, AS IS STATED IN THE STATUTE, THAT THE APPELLANT FAILS TO RAISE SUBSTANTIAL ISSUES ON THE BASIS OF

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THE APPEAL AND THE WRITTEN DECISION OF THE HEARING PANEL.

WE CONTEND IF ANYONE'S DUE PROCESS RIGHTS HAVE BEEN VIOLATED, IT IS ONLY THE LEA AS WE WERE NOT NOTIFIED BY APPELLANT THAT AN APPEAL HAD BEEN FILED BEFORE THE HEARING PANEL'S DECISION ON THE HEARING PANEL'S DECISION. AND WE WAIVE ANY IRREGULARITY THAT THAT MAY HAVE CAUSED.

A PLAIN READING OF THE STATUTES MAKES IT CLEAR, AS MY LETTER, WHICH WAS ATTACHED AND THAT I'M SURE THAT YOU HAVE READ, THAT THE APPELLANT FAILED TO RAISE SUBSTANTIAL ISSUES. FURTHER, WE CONTEND THAT THE RECORD IN THIS CASE IS LIMITED TO THE RECORD BEFORE THE HEARING PANEL, WRITTEN OR ORAL ARGUMENTS SUBMITTED BY THE PARTIES IN ANY MATTER WHICH THE BOARD MAY TAKE JUDICIAL NOTICE. THE ROLE OF THE BOARD IN REVIEWING THE WRITTEN DECISION OF THE HEARING PANEL IS LIMITED TO DETERMINING WHETHER OR NOT THERE WAS SUBSTANTIAL EVIDENCE IN THE RECORD, ADMINISTRATIVE RECORD, TO SUPPORT THAT DECISION.

THE BOARD'S REVIEW IS NOT A NEW TRIAL, AND THEREFORE, IT IS OUR OPINION THAT NO INFORMATION, NO MATTER HOW RELEVANT IT IS CONSIDERED BY EITHER PARTY, MAY BE SUBMITTED TO

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1 THE BOARD FOR ITS CONSIDERATION IN MAKING THAT
2 DECISION. AND THAT, THEREFORE, THERE IS NO REASON
3 TO HAVE A FULL HEARING ON THIS BECAUSE THE HEARING
4 IS LIMITED TO EVERYTHING THAT'S IN THE ADMINIS-
5 TRATIVE RECORD.
6 BASED ON THAT, WE RESPECTFULLY
7 REQUEST THAT THE BOARD TODAY FIRST DETERMINE NOT
8 TO HEAR THE APPEAL AS APPELLANT FAILS TO RAISE
9 SUBSTANTIAL ISSUES. IF THAT IS NOT YOUR CHOICE,
10 SECOND, THAT YOU SIMPLY DETERMINE THE MATTER ON
11 THE BASIS OF THE RECORD BEFORE THE HEARING PANEL.
12 THIRD, IF YOU DETERMINE NOT TO DO THAT, TO BASE --
13 DECIDE THE MATTER BASED ON A WRITTEN ARGUMENT
14 SUBMITTED BY THE PARTIES AND THE ADMINISTRATIVE
15 RECORD.
16 IF THAT'S YOUR DECISION, WE ASK THAT
17 YOU SET A BRIEFING SCHEDULE AND DETERMINE WHAT,
18 EXACTLY, ARE THE CONTENTS OF THE ADMINISTRATIVE
19 RECORD; I.E., SIMPLY THOSE MATTERS THAT WERE
20 SIMPLY BEFORE THE HEARING PANEL. WE DON'T BELIEVE
21 THAT YOU HAVE TO REACH THE DECISION TO MAKE THE
22 HEARING; BUT IF THAT IS YOUR DECISION, TO HOLD THE
23 HEARING, WE ASK THAT IT BE HELD IN MAY, ON MAY
24 28TH, NOT IN JUNE. AND AGAIN, THAT A
BRIEFING

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25 SCHEDULE BE SET AND THE EVIDENCE SUBMITTED
BE

LIMITED TO THE EVIDENCE THAT WAS BEFORE THE HEARING PANEL AND THEIR FINAL DECISION.

THANK YOU VERY MUCH FOR YOUR CONSIDERATION OF OUR CONCERNS AND COMMENTS.

CHAIRMAN PENNINGTON: THANK YOU. ANY QUESTIONS OF MS. NASH?

NEXT WE'LL HEAR FROM LARRY WALKER, COUNTY SUPERVISOR.

MR. WALKER: THANK YOU VERY MUCH, MR. CHAIRMAN, MEMBERS OF THE BOARD. PLEASE LEAVE THAT THERE FOR A MOMENT, IF YOU WOULD. I WANT -- I ASK THAT TO BE LEFT THERE BECAUSE I WANT TO EMPHASIZE IN RESPECTFUL DISAGREEMENT TO YOUR STAFF COUNSEL THAT YOU DO, IN FACT, HAVE A PROCEDURE FOR THIS QUESTION AND IT'S AS OUTLINED BEFORE YOU. THE FACT IS THERE'S A VERY IMPORTANT BACKGROUND FOR THE FACT THAT THE QUESTION ON APPEAL IS WHETHER ANYTHING NEW HAS BEEN RAISED OR WHETHER YOU'RE SIMPLY BEING ASKED TO DO THE LEA'S JOB, AND THAT IS CONSIDER THE MATTER FROM THE BEGINNING.

IF YOU READ THROUGH THE APPEAL, YOU'LL NOTE THAT IT'S SIMPLY A RESTATEMENT, A REARGUMENT OF WHAT WAS ARGUED AT THE EARLIER HEARING. THERE IS NOTHING NEW IN THAT APPEAL. ALL THE ALLEGATIONS THAT WE CONSIDER INCORRECT,

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ALL OF THE REPRESENTATIONS REGARDING WHAT IS HAPPENING ON THAT SITE, IT'S ALL THERE AND IT WAS ALL DECIDED IN THE APPEAL. THAT IS THE BASIS THAT WE WOULD SUGGEST TO YOU FOR MAKING A FINDING TODAY, PURSUANT TO YOUR PROCEDURES, SELECTING OPTION NO. 1, OR SELECTING THE FIRST OPTION ON THE OVERHEAD THERE, THAT INDICATES SIMPLY THAT NO SUBSTANTIVE ISSUES HAVE BEEN RAISED.

I WOULD LIKE TO -- BY THE WAY, I WANTED TO WELCOME YOU TO OUR CHAMBERS. I WANTED TO MENTION THAT IF I HAD BEEN AROUND WHEN THIS BUILDING WAS DESIGNED, WE WOULD HAVE HAD AT LEAST SEVEN SEATS UP THERE. I DO HOPE YOUR HEARINGS TODAY HAVE BEEN COMFORTABLE AND YOUR EXPERIENCE IS A POSITIVE ONE.

I WOULD LIKE TO EMPHASIZE THAT TIME IS CRITICAL IN THIS ISSUE. THIS IS NOT SOMETHING THAT HAS COME UP RECENTLY. THIS IS SOMETHING THAT'S BEEN GOING ON FOR A NUMBER OF YEARS NOW. A LOT HAS HAPPENED. A FEW YEARS AGO YOUR BOARD GRANTED VERMICOMPOSTING AN EXEMPTION FROM THE NEED TO BE LICENSED AS A WASTE FACILITY BECAUSE, AS YOU ENVISIONED IT, VERMICOMPOSTING LACKED THE SAME HEALTH AND SAFETY CONCERNS, SUCH AS FLAMMABILITY AND ODOR, AS OTHER FORMS OF COMPOSTING.

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SINCE THEN YOU FOUND OUT THAT WASN'T QUITE TRUE IN ALL CASES. IN FACT, ON FEBRUARY 26TH YOU ADOPTED NEW EMERGENCY REGULATIONS TO MODIFY THAT EXCLUSION, TO REQUIRE SOME VERMICOMPOSTING OPERATIONS TO COME UNDER THE JURISDICTION THAT YOU HAD PREVIOUSLY EXEMPTED THEM FROM.

ON THAT SAME DATE, IRONICALLY, THE INDEPENDENT HEARING PANEL SIGNED AN ORDER TO PACIFIC SOUTHWEST FARMS ORDERING THEM TO CLEAN UP THE 40,000 TONS OF FOUR-INCH SCREENED WASTE THAT THEY HAD PILED UP ON THIS 55-ACRE SITE. THESE ARE SOME PICTURES THAT WERE TAKEN IN NOVEMBER. WE HAVE A SECOND SET THAT WERE TAKEN IN MARCH AND THEY'RE ABOUT THE SAME. YOU WOULDN'T BE ABLE TO TELL THE DIFFERENCE. I WOULD PUT THEM UP ON REQUEST.

THAT ORDER WAS SIGNED AFTER MONTHS OF NOTICES, TWO FIRES, AND A BOARD OF SUPERVISORS DECISION ON APPEAL FROM THE PLANNING COMMISSION THAT WITHOUT A CONDITIONAL USE PERMIT, THE OPERATION IS AN ILLEGAL LAND USE. AND I WOULD ASSERT TO YOU THAT THE PRESENTATION IN THE APPEAL

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24 ON THAT POINT IS DEAD WRONG. IN FACT, THERE IS A

25 CONDITIONAL USE PERMIT REQUIRED FOR THIS USE IN

THE AGRICULTURAL PRESERVE, AND WE HAVE NEVER RECEIVED AN APPLICATION FOR THAT CONDITIONAL USE PERMIT.

PACIFIC SOUTHWEST FARMS IS WORKING TO RESTORE THE LOOPHOLE THAT YOU SUBSTANTIALLY CLOSED ON FEBRUARY 26TH AND TO BUY TIME IN THIS PROCESS. AND THAT'S WHY THE JURISDICTIONAL ISSUE OF WHETHER THE APPEAL IS APPROPRIATE -- APPROPRIATELY HEARD IS AN IMPORTANT ONE BECAUSE TIME IS AN IMPORTANT ISSUE HERE AND DOES HAVE A SUBSTANTIAL IMPACT ON THE SUBSTANCE OF THIS SITUATION.

THE INDEPENDENT HEARING PANEL TOLD PACIFIC SOUTHWEST FARMS ESSENTIALLY TO GET THE TRASH OFF THE SITE AND NOT TO ACCEPT ANY MORE TRASH UNLESS THEY HAD A SOLID WASTE FACILITY PERMIT. THEIR ORDER IS CONSISTENT WITH YOUR REGULATIONS. THE APPELLANT HAS FAILED TO OFFER, SAY, SUBSTANTIAL NEW INFORMATION REGARDING THIS ISSUE. THE APPELLANT IS MERELY ASKING YOU TO TAKE OVER THE PROCESS, SUBSTITUTE YOUR PROCESS FOR THAT OF THE LOCAL INDEPENDENT HEARING PANEL, AND TO HEAR THE CASE ANEW, THEREBY INVALIDATING AND UNDERMINING YOUR WHOLE PROCESS OF INDEPENDENT HEARING PANELS ALL OVER THE STATE.

A DECISION TO HEAR THIS APPEAL WOULD

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BE 180 DEGREES OPPOSITE OF THE EMERGENCY REGULATIONS YOU ADOPTED IN FEBRUARY, AND I RESPECTFULLY URGE THAT YOU REJECT THE APPEAL AND SUSTAIN THE DECISION THAT WAS MADE PREVIOUSLY ON THE SAME PRESENTATIONS THAT YOU HAVE BEFORE YOU TODAY. THANK YOU VERY MUCH.

CHAIRMAN PENNINGTON: THANK YOU, MR. SUPERVISOR, AND THANK YOU FOR LETTING US USE YOUR CHAMBERS TODAY. THEY HAVE BEEN VERY PLEASANT.

ANY QUESTIONS OF THE SUPERVISOR?

OKAY. NEXT WE HAVE BARRY MEIJER.

MR. MEIJER: THANK YOU FOR LETTING ME SPEAK, BOARD MEMBERS. FIRST OF ALL, I WOULD LIKE TO THANK MY SECRETARY FOR ALL OF THIS WORK SHE DID WHILE I WAS OUT OF TOWN.

I'M HERE TO ASK YOU TO PLEASE HEAR THIS MATTER, AND THERE ARE THREE REASONS WHY I WANT YOU TO HEAR THE MATTER. THE FIRST ONE GOES TO THE ZONING ISSUES, AS SUPERVISOR WALKER SAYS. OBVIOUSLY, COUNTIES HAVE THE RIGHT TO MAKE CERTAIN ZONING ORDINANCES. WE DON'T HAVE A PROBLEM WITH THAT. WHAT WE HAVE AN ISSUE WITH IS THAT THE COUNTY IS SUPERSEDING THE STATE IN MAKING DECISIONS NOT BASED ON THEIR OWN LAWS, BUT ON

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FACTS THAT THEY JUST FEEL ARE RIGHT OR POLICIES THAT THEY STATE ARE IN EXISTENCE WITHOUT THEM EVER BEING WRITTEN DOWN.

THE FIRST ISSUE I PRESENT TO YOU IS THE CALIFORNIA FOOD -- THE CALIFORNIA FOOD AND AGRICULTURE CODE 23.7, WHICH IN ITS LAST SENTENCE CLEARLY STATES, "VERMICULTURE AND ITS PROCESSING, PACKAGING, SALE, AND USE OF ITS BYPRODUCTS SHALL BE CONSIDERED A BRANCH OF THE AGRICULTURAL INDUSTRY."

THE SECOND ISSUE IS THE CALIFORNIA MARKETING ACT, WHICH CLEARLY SAYS THAT THE PRODUCTION OF VERMICULTURE PRODUCTS IS PART OF AGRICULTURE, WHICH IS CODE 58605. CAN YOU READ THAT NOW? OKAY.

THE NEXT ISSUE THAT COMES UP IS LAND USES. WE ARE TOTALLY COMPATIBLE WITH THE LAND USES AS DEFINED BY THE COUNTY OF SAN BERNARDINO. THERE IS NOTHING IN THEIR CODES THAT DOES PROHIBIT WORM FARMING. THE ISSUE IN THE COUNTY DOES NOT GO TO WHETHER WE ARE COMPATIBLE WITH SURROUNDING AGRICULTURE. WE ARE, IN FACT, AGRICULTURE. THEREFORE, THE BOARD OF SUPERVISORS DOES NOT HAVE THE RIGHT TO DETERMINE IF WE'RE COMPATIBLE.

AND THE COUNTY CAME TO US AND

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REQUESTED A PREAPPLICATION DETERMINATION, AND WE DID, IN FACT, FILE FOR A CONDITIONAL USE PERMIT. IT WAS FILED ON THE 23RD OF MAY, 1996. AND IF YOU LOOK IN YOUR PACKAGE THERE, YOU WILL SEE THAT, IN FACT, WAS DENIED IN OCTOBER. AND WE HAVE APPEALED THAT MATTER.

WE SUBSEQUENTLY HAVE RECEIVED A LETTER FROM SUPERVISOR WALKER THAT REALLY GOES TO THE HEART OF THE MATTER, WHETHER WE ARE, IN FACT, ALLOWED TO BE WITHIN THIS ZONING AREA. AND I WILL READ THE SENTENCE TO YOU. I HAD A MEETING WITH SUPERVISOR WALKER IN APPROXIMATELY -- IN FEBRUARY APPROXIMATELY, AND I SAID, WHAT ARE THE MAJOR ISSUES? THE FIRST ISSUE WAS THAT WE WERE A NONDAIRY USE IN WHAT HE CALLED A DAIRY PRESERVE. THE SECOND ISSUE WAS THAT WE WOULD BRING IN WASTE INTO, AS HE CALLS IT, THE DAIRY PRESERVE.

AND SUPERVISOR WALKER WAS KIND ENOUGH TO SEND A RESPONSE, WHICH I HAVE INCLUDED IN YOUR PACKAGE, TO MY CONSULTANT AND IT BASICALLY READS AS FOLLOWS: "THE SECOND QUESTION YOU RAISED WITH REGARD TO DOCUMENTATION OF A TEN-YEAR GREEN WASTE POLICY FOR THE DAIRY PRESERVE, I DO NOT BELIEVE THAT YOU WILL FIND ANY ONE DOCUMENT TO SUPPORT THIS POLICY. RATHER, YOU MAY REVIEW THE

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APPLICATIONS FILED OVER THE PAST TEN-YEAR PERIOD TO DETERMINE THE NUMBER OF APPLICATIONS APPROVED FOR THE GREEN WASTE COMPOSTING AND THE DAIRY PRESERVE. HOWEVER, YOUR APPLICATION, YOU MAY HAVE SOME DIFFICULTY IN LOCATING ANY APPLICATIONS. MOST APPLICATIONS SIMPLY DO NOT FILE THE FORMAL APPLICATION WHEN THEY HAVE LEARNED THAT THE USE IS NOT ALLOWED. HOWEVER, IF YOU WISH TO PURSUE THIS, TALK TO" SO AND SO.

AT THE HEART OF THIS MATTER IS THAT SUPERVISOR WALKER BELIEVES THAT WE SHOULD NOT BE ABLE TO FEED OUR WORMS GREEN WASTE, THAT HE FEELS THAT THAT IS A VIOLATION OF A POLICY THAT IS NOT WRITTEN, BUT A POLICY THAT HE HIMSELF OR SOMEBODY HAS JUST ESTABLISHED THAT IS OUT THERE. THAT POLICY IS IN TOTAL CONFLICT WITH THE GENERAL PLAN OF THE COUNTY OF SAN BERNARDINO, SW-6, WHICH SAYS CLEARLY THAT THE COUNTY SHOULD ENCOURAGE THE TAKING OF ORGANIC MATERIAL TO BE USED WITH COW MANURE TO DISPOSE OF MATERIAL.

AND THAT IS MY FIRST REASON IS I BELIEVE THAT THE REASON WE ARE BEING PROSECUTED IS THE COUNTY SUPERVISOR BELIEVES THERE SHOULD BE NO WASTE COMING INTO THE DAIRY PRESERVE OR AGRICULTURE PRESERVE, AS IT IS CORRECTLY CALLED.

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THE COUNTY TOOK US TO THE LOCAL SUPERIOR COURT AND WON. I'VE INCLUDED THAT IN YOUR PACKAGE. WE APPEALED THAT TO THE APPELLATE COURT.

THE APPELLATE COURT CAME BACK WITH THE RULING THAT SAYS TO THE COUNTY THERE ARE TWO ITEMS. ONE IS YOU NEED TO EXPLAIN TO US UNDER WHAT LAWS UNDER THE WILLIAMSON ACT DID YOU CREATE A PRESERVE THAT -- AN AGRICULTURAL PRESERVE LIMITED TO DAIRYING. AND SECONDLY, WHAT PAPERWORK DID YOU FILL OUT TO CREATE A DAIRY PRESERVE.

THE RESPONSE TO THE COUNTY TO THE APPELLATE COURT WAS THERE ARE A LOT OF COWS OUT THERE, ESSENTIALLY, AND THEREFORE IT'S A DAIRY PRESERVE. WE FUNDAMENTALLY DISAGREE WITH THAT. THEREFORE, WE HAVE BEEN PERSECUTED BY THE LEA BASED PURELY ON THE DECISION BY SUPERVISOR WALKER.

THEN I GO TO MY SECOND ISSUE.

CHAIRMAN PENNINGTON: MR. MEIJER, I DON'T WANT TO INTERRUPT YOU, BUT WE REALLY WANT TO KEEP TO THE ISSUE THAT WHETHER WE SHOULD HEAR IT OR NOT, NOT THE MERITS OF THE HEARING. OKAY?

MR. MEIJER: I'M NOT -- SIR, I'M JUST SAYING THAT THAT WAS ONE OF THE REASONS BECAUSE, I MEAN, THERE'S A DECISION NOT TO BRING GREEN WASTE INTO THE COUNTY. AND THAT IS WHAT -- THE SECOND

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ISSUE THAT OBVIOUSLY GOES TO THE MERIT HERE IS THERE WAS A HEARING SET BY AN INDEPENDENT HEARING PANEL. THE INDEPENDENT HEARING PANEL WAS -- THERE WAS A PROTOCOL ESTABLISHED. SORRY. AND IN THE PROTOCOL WE WERE NOT ALLOWED TO BRING UP ANY EVIDENCE OTHER THAN THE FACT THAT DID WE, IN FACT, COMPLY WITH THE NOTICE AND ORDERS.

THE PROTOCOL CLEARLY STATES THAT THE ONLY ISSUE BEFORE THE INDEPENDENT BOARD IS NOT WHETHER WE ARE A SOLID WASTE FACILITY OR ANYTHING LIKE THAT. THE ONLY ISSUE BEFORE THE INDEPENDENT BOARD WAS DID WE COMPLY WITH THE LEA'S DECISION OF A NOTICE AND ORDERS. IT IS MY OPINION THAT THAT RESTRICTION TOTALLY VIOLATED OUR RIGHT TO DUE PROCESS. AND THEREFORE, THE ISSUES THAT WE HAVE RAISED WITH THE BOARD ARE, IN FACT, SUBSTANTIVE ISSUES THAT WE COULD NOT RAISE BEFORE THE INDEPENDENT HEARING PANEL. THE INDEPENDENT HEARING PANEL WAS, IN MY OPINION, BECAUSE OF THE PROTOCOL, INFORMED THAT YOU ARE GUILTY BEFORE WE EVEN GOT THERE.

THANK YOU VERY MUCH.

CHAIRMAN PENNINGTON: THANK YOU. ANY QUESTIONS OF MR. MEIJER?

IF NOT --

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MR. WALKER: MR. CHAIRMAN, IF I MAY, I DON'T WANT TO BELABOR THE SITUATION, BUT I WANT TO CORRECT A MISTAKE I MADE IN MY PRESENTATION. THE CUP WAS FILED, AS A PERSON WOULD HAVE TO FILE FOR A DAIRY OR ANY OTHER AGRICULTURAL USE, AND IT WAS DENIED. I SPOKE INCORRECTLY WHEN I SAID IT HAD NOT BEEN FILED. I WAS REFERRING TO AN EARLIER PROCESS THAT I HAD LUMPED TOGETHER IN MY MIND.

CHAIRMAN PENNINGTON: THANK YOU.

UVALDO MARTINEZ?

MR. MARTINEZ: THANK YOU, MR. CHAIRMAN, MEMBERS OF THE BOARD. MY NAME IS UVALDO MARTINEZ, 4811 CIRCLE DRIVE, SAN DIEGO, CALIFORNIA. I'M A CONSULTANT TO PACIFIC SOUTHWEST FARMS. I THINK THE REASON YOU NEED TO HEAR THIS APPEAL IS A FUNDAMENTAL ONE, AND THAT IS THE BASIC LAND USE ASSOCIATED WITH THIS PROJECT IS AGRICULTURE. STATE LAW SCREAMS THAT IT'S AGRICULTURE.

THE COUNTY OF SAN BERNARDINO HAS TAKEN AN ARBITRARY AND QUITE CAPRICIOUS APPROACH TO THIS WHOLE MATTER, FAILING IT BY DENYING THE CONDITIONAL USE PERMIT, WHICH IS PRESENTLY UNDER LITIGATION. WE HAVE COME BACK WITH A FAVORABLE RULING FROM THE APPELLATE COURT AT THIS POINT STAYING THEIR EXECUTION. SO NOW, FAILING THAT,

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NOW WE'RE A TRANSFER STATION BECAUSE WE FEED OUR WORMS AND THEY DON'T EAT TIN CANS, SO THEREFORE THE TIN CANS HAVE TO BE TRANSPORTED BACK TO THE FILL.

ALL FEED FOR ALL AGRICULTURAL STOCK HAS TO BE PROCESSED IN SOME MANNER ON SITE, AND THAT'S EVEN WITH PRECIOUS DAIRIES LOCATED IN THE AREA. THEY DO NOT FEEL THEIR CATTLE OR THEIR COWS EAT STRAIGHT STRAW. IT HAS TO BE MIXED, PROCESSED, ETC., ON SITE. HOW IS THIS ACTIVITY ANY DIFFERENT THAN IMPORTING FEED TO FEED CATTLE THAT GENERATE ANOTHER AGRICULTURAL COMMODITY, MILK, WHERE WE FEED WORMS WHO GENERATE SOMETHING CALLED WORM CASTINGS, WHICH IS A GROWING INDUSTRY IN THE STATE OF CALIFORNIA. IS IT BEING PROMOTED BY THE STATE LEGISLATURE AS A FUTURE GROWTH INDUSTRY IN THIS STATE.

WE HAVE ALREADY DONE PRELIMINARY MARKETING AND IDENTIFIED A MARKET IN JAPAN. WE ARE ATTEMPTING TO GET TEST MARKETS IN THE STATE OF CALIFORNIA IN THE WINE INDUSTRY. WE HAVE ALREADY PRELIMINARY TEST RESULTS FROM AUSTRALIA WHICH SHOW IT INCREASES THEIR PRODUCTIVITY. AN IMPORTANT PRODUCT, AN IMPORTANT INDUSTRY, TOXIC FREE, ENVIRONMENTALLY SENSITIVE TO THE STATE OF

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CALIFORNIA, AND WE HAVE A COUNTY ARBITRARILY TAKING THE POSITION THAT YOU ARE NOT AN AG USE AND WE DON'T WANT YOU.

IT'S NOT ONLY AGAINST STATE LAW IN TERMS OF THE CODE 23.7. IT'S JUST NOT RIGHT. SAN DIEGO, CALIFORNIA, WE'VE ALREADY MADE SOME PRELIMINARY INQUIRIES TO SAN DIEGO COUNTY. WE FALL INTO ANIMAL RAISING ACTIVITY. THE PARTICULAR ZONE THAT WE WERE LOOKING AT WAS AGRICULTURE IN SAN DIEGO COUNTY. WE WERE TOLD THAT BECAUSE YOU HAVE MORE THAN 25 WORMS, BECAUSE YOU'RE IN THE SMALL ANIMAL AGRICULTURAL ZONE, MORE THAN 25 WORMS, YOU MUST HAVE -- YOU MUST GO THROUGH A PERMIT PROCESS. WE COME TO SAN BERNARDINO, NOW WE'RE TOLD WE NOT ONLY DON'T WANT YOU, BUT YOU'RE A TRASH PLANT, SO YOU'VE GOT TO HAVE A TRASH PERMIT. AND FURTHERMORE, YOU'RE NOT ONLY A TRANSFER STATION, WE'RE GOING TO HIT YOU WITH A TENTATIVE COMPLAINT, YOU ARE NOW A LANDFILL.

SO IF YOU DON'T HEAR THIS APPEAL, WE'RE GOING TO HAVE THESE PROBLEMS THROUGHOUT THE STATE OF CALIFORNIA BECAUSE THIS IS A GROWING INDUSTRY. IT NEEDS TO BE ADDRESSED AT THIS LEVEL.

BAKERSFIELD, WE ARE UP AND OPERATING. BAKERSFIELD

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25 SAYS YES. SAN DIEGO COUNTY SAYS YOU HAVE MORE

THAN 25 WORMS, SO WE NEED TO DO SOMETHING ELSE WITH YOU. HERE IN SAN BERNARDINO WE'RE TOLD YOU'RE A LANDFILL, YOU'RE A TRANSFER STATION FOR TRASH.

BUT DAIRIES ARE OKAY. YOU CAN IMPORT FEED, YOU CAN FEED THE CATTLE, YOU CAN GENERATE MILK, BUT WE CAN'T HAVE AN ONGOING GROWING ACTIVITY IN THE STATE OF CALIFORNIA THAT'S BEING PROMOTED BY THE STATE. IT'S SPECIFICALLY IDENTIFIED IN THE AGRICULTURE CODE. THAT'S WHY YOU SHOULD HEAR IT BECAUSE IT'S THE RIGHT THING TO DO AND THIS BATTLE NEEDS TO BE FOUGHT NOW.

I THINK THAT THE LOCAL JURISDICTIONS NEED TO KNOW, NEED TO UNDERSTAND THAT THIS IS AN IMPORTANT INDUSTRY TO THE FUTURE OF THE STATE OF CALIFORNIA. AND IF WE REQUIRE DEVELOPMENT STANDARDS WITHIN ANY ZONE, WE'RE AMENABLE TO THOSE THINGS BECAUSE THAT'S REASONABLE. IT FALLS WITHIN THE CODE, WITHIN THE PROTECTION OF HEALTH AND SAFETY AND GENERAL WELFARE GRANTED BY THE STATE

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OF

21 CALIFORNIA, LOCAL JURISDICTIONS TO PROVIDE FOR

22 THEIR LOCAL CITIZENS.

23 BUT I THINK THE LOCAL JURISDICTIONS

24 NEED TO REMEMBER THIS, AND AS A FORMER ELECTED
25 OFFICIAL, I DO. NO MATTER HOW BLATANT WE WERE IN

THE CITY OF SAN DIEGO, AND WE'RE KNOWN FOR BEING VERY CREATIVE IN LAND USE REGULATIONS IN THE CITY OF SAN DIEGO, STATE LAW PREVAILED. FOR SOME REASON IT MATTERED. AND IN THIS PARTICULAR CASE IT DOESN'T.

SO I THINK THAT THE ISSUE IS ONE THAT CRIES TO BE HEARD AT THIS LEVEL. IF, IN FACT, THERE'S A THRESHOLD IN WHICH VERMICULTURE WILL PENETRATE AND BECOME A TRANSFER STATION OR BECOME A LANDFILL, I THINK YOU ARE THE BODY THAT NEEDS TO DEFINE THAT IN YOUR EMERGENCY REGULATIONS.

I'VE ALREADY BEEN TOLD BY EXPERTS IN THE FIELD THAT THE NUMBER THAT YOU'RE PROPOSING IN YOUR EMERGENCY REGS WILL LITERALLY STARVE OUR STOCK. I DON'T KNOW OF ANY REGULATION IN YOUR REGS THAT PERMITS DAIRY CATTLE BEING STARVED OR ANY OTHER LIVESTOCK. SO IF THERE'S AN ISSUE THAT NEEDS TO BE HEARD BEFORE THIS BOARD, THIS ONE SCREAMS FOR IT. IT NEEDS TO BE RESOLVED AT THIS PARTICULAR LEVEL.

THANK YOU VERY MUCH.

CHAIRMAN PENNINGTON: THANK YOU. ANY QUESTIONS OF MR. MARTINEZ?

OKAY. AND FINALLY, WE HEAR FROM

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GEORGE HAHN.

MR. HAHN: THANK YOU, BOARD. I APPRECIATE YOUR SUPPORT OF THE VERMICULTURE INDUSTRY. I AM ON THE OTHER SIDE. I'M LIKE THE KILNS THAT ARE TAKING THE TIRES. I'M BUYING THE CASTINGS AND THEY HAVE A REAL VALUE. THE TESTING DONE BY CORNELL AND OHIO STATE SHOWS THAT THEY'RE ESSENTIALLY TEN TIMES MORE VALUABLE THAN FERTILIZER. IN THE TOBACCO INDUSTRY, FOUR TONS OF CASTINGS HAD A ONE-THIRD INCREASE IN PRODUCTION IN THE TOBACCO INDUSTRY, MORE THAN 35 TONS OF FERTILIZER. THE SAME THING IS BEING SHOWN IN THE WINE INDUSTRY AND THE ALMOND INDUSTRY AND EVERY PLACE THAT THEY'VE USED THE CASTINGS. SO THERE IS A MARKET.

THE PROBLEM HAS BEEN PREVIOUSLY THAT NOT ENOUGH PRODUCT HAS BEEN MADE TO BE ABLE TO COMMERCIALLY MARKET IT. I'VE BEEN TO A LOT OF FACILITIES. THIS IS THE FIRST ONE THAT CAN MAKE ENOUGH PRODUCT -- THEY HAVE THE CAPACITY TO MAKE, I BELIEVE, OVER 500 TONS OF CASTINGS A DAY. NOW, THAT MAY SOUND LIKE A LOT OF MATERIAL, BUT THE MARKETS THAT ARE IN PLACE RIGHT NOW, THE PEOPLE THAT ARE REQUESTING THIS, THIS COULD EASILY EXCEED 2,000 TONS A DAY OF CASTINGS GOING OUT AND BEING

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USED IN OTHER AGRICULTURE USES. PLEASE HEAR THIS CASE SO THAT THIS PRODUCT CAN BE TAKEN AND USED IN CALIFORNIA AGRICULTURE AND REALLY IMPROVE THE AGRICULTURE IN THE STATE.

THANK YOU VERY MUCH.

MR. MARTINEZ: MR. CHAIRMAN, JUST ONE FINAL COMMENT. IN MY RUSH TO LEAVE THE MICROPHONE, WHICH I GENERALLY DON'T DO, YOU WERE VERY FORTUNATE, THE CLIENT AND I WOULD LIKE TO TAKE POSITION SUPPORTING STAFF, AND WE WOULD ALSO STIPULATE TO THEIR TIME FRAME. WE BELIEVE THAT THEY'RE ON THE RIGHT TRACK.

CHAIRMAN PENNINGTON: THANK YOU.

GENTLEMEN, LADIES, ANY QUESTIONS?

MR. WALKER?

MR. WALKER: MR. CHAIRMAN, IF I CAN REBUT ON A COUPLE OF POINTS AND INFORM THE BOARD MORE SPECIFICALLY. FIRST OF ALL, WE'RE NOT -- THE COUNTY'S NOT --

CHAIRMAN PENNINGTON: THE ONLY THING, I DON'T WANT TO GET A DEBATE GOING HERE.

MR. WALKER: NO. I'M GOING TO PRETTY MUCH LIMIT MYSELF TO TALKING ABOUT WHAT'S BEEN SAID ALREADY. I'M NOT GOING TO RAISE ANY NEW POINTS OTHER THAN THE FACT THAT FROM THE COUNTY'S

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PERSPECTIVE, WE'RE NOT IN A POSITION TO STIPULATE TO ANY EXTENSIONS OF TIME BEYOND THE STATUTORY LIMITATIONS.

IF YOU SORT OUT THE APPELLANT'S ATTEMPT TO LITIGATE THE LAND USE ISSUE, WHICH OBVIOUSLY IS NOT GERMANE TO THIS PROCEEDING, YOU DON'T HAVE MUCH LEFT. THAT PROCEDURE IS, IN FACT, IN LITIGATION. CONTRARY TO WHAT YOU JUST HEARD, THE MATTER HAS BEEN STAYED AT THE APPEALS COURT LEVEL ON AN EX PARTE PROCEDURE, AND THE COUNTY WAS THEN, FOLLOWING THAT ORDER, GIVEN THE OPPORTUNITY TO RESPOND. SO THERE'S BEEN NO ENGAGING OF THE ISSUE AT THE APPELLATE COURT LEVEL, BUT I ACKNOWLEDGE THAT'S NOT BEFORE YOU.

I WOULD LIKE TO EMPHASIZE THAT FROM THE APPELLANT'S OWN REPRESENTATIVE YOU HEARD THAT YOUR INTERIM REG -- THAT YOUR EMERGENCY REGULATIONS THAT I REFERRED TO FROM FEBRUARY 26TH WOULD, IN FACT, LIMIT THIS OPERATION BELOW THE LEVEL THAT IT'S BEING OPERATED AT. THE ISSUE ISN'T ABOUT AGRICULTURE HERE. THE ISSUE IS THAT THIS WOULDN'T BE BEFORE YOU IF IT WASN'T A FACILITY PROCESSING MUNICIPAL SOLID WASTE. THAT'S WHY YOU HAVE JURISDICTION, AND THAT'S HOW THE COUNTY'S LEA HAS RESPONDED, PURSUANT TO YOUR REGULATIONS AND

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CONSISTENT WITH THE EMERGENCY REGULATIONS YOU HAVE ADOPTED. THERE'S NOTHING NEW, YOU HEARD NOTHING NEW FROM THE APPELLANT TODAY THAT WASN'T HEARD AT THE LEA. THERE'S NO LEGAL BASIS FOR THIS APPEAL.

CHAIRMAN PENNINGTON: THANK YOU.

BOARD MEMBER JONES: MR. CHAIRMAN.

CHAIRMAN PENNINGTON: MR. JONES.

BOARD MEMBER JONES: I THINK I WANT TO MAKE A MOTION THAT WE DETERMINE TO ACCEPT THE APPEAL AND HOLD THE HEARING WITHIN 60 DAYS UNLESS ALL THE PARTIES STIPULATE TO EXTENDING THE HEARING DATE.

BOARD MEMBER GOTCH: SECOND.

CHAIRMAN PENNINGTON: ANY DISCUSSION?

THERE BEING NO DISCUSSION, WILL THE SECRETARY CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: NO.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

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BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: AYE.

MOTION CARRIES.

OKAY. 23 IS ANOTHER TIRE ALLOCATION -- 23 IS ANOTHER TIRE ALLOCATION FOR NEXT YEAR. IT'S NOW 5:15. THE MELP AND OXFORD PEOPLE HAVE BEEN HERE ALL DAY. I ASSUME THEY ARE GOING TO SPEND THE NIGHT THOUGH NOW. WHAT'S YOUR PLEASURE? DO YOU WANT TO TRY TO TAKE ONE OF THEM UP TONIGHT AND ROLL OVER UNTIL TOMORROW WITH THE TIRE ALLOCATION?

MR. CHANDLER: MR. CHAIRMAN, I WOULD INDICATE THAT I KNOW THERE'S A LOT OF PEOPLE IN THE AUDIENCE THAT HAVE COME IN FOR THE TIRE ALLOCATION; AND IF YOU'RE SENSITIVE TO THE SCHEDULES AND THE IMPACT ON PEOPLE'S SCHEDULES, YOU MIGHT WANT TO CONSIDER --

CHAIRMAN PENNINGTON: OKAY. I'M --

BOARD MEMBER CHESBRO: IT'S ALSO A QUESTION OF TRYING TO FIGURE OUT WHAT WE'RE MOST LIKELY TO COMPLETE IN A HALF HOUR OR 45 MINUTES, I GUESS.

MR. CHANDLER: THAT'S A GOOD POINT, TOO.

CHAIRMAN PENNINGTON: WELL, CERTAINLY, WE

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OUGHT TO BE ABLE TO DO THE TIRE ALLOCATION IN TWO OR THREE HOURS. OKAY. WE'LL TRY TO DO THAT. AND THEN ONCE WE'VE DONE THIS, WE'LL HAVE TO ROLL OVER UNTIL TOMORROW THE REMAINDER.

CONSIDERATION OF THE 1997/98 WASTE TIRE MANAGEMENT PROGRAM FUNDING ALLOCATION.

MR. CHANDLER, WERE YOU GOING TO DO THIS?

MR. CHANDLER: I WILL CALL ON STAFF AS WE HAVE IN THE PREVIOUS ITEM ON THE ALLOCATION OF THE UNSPENT DOLLARS IN THE CURRENT YEAR. CAREN TRGOVCICH, IT LOOKS LIKE, IS READY AT THE MIKE TO BEGIN TO INTRODUCE THE ITEM AND WALK US THROUGH THE STAFF RECOMMENDATIONS, AS WELL AS THE COMMITTEE RECOMMENDATIONS. SO, CAREN, WILL YOU DO THAT?

MS. TRGOVCICH: I THINK WHAT I'M GOING TO DO, IN THE INTEREST OF TIME, IS I THINK WE CAN PROBABLY STREAMLINE THE PRESENTATION TO BASICALLY SUMMARIZE FOR YOU THAT FOR PURPOSES OF FISCAL YEAR 1997/98, THERE WERE -- AND I DON'T HAVE THE EXACT DOLLAR FIGURE IN FRONT OF ME BECAUSE I'M TRYING TO CUT THIS DOWN AS MUCH AS POSSIBLE, BUT THERE WAS APPROXIMATELY $8 AND A HALF MILLION AVAILABLE, BASED UPON EITHER FUNDING OR ALLOCATIONS

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IDENTIFIED AS NONDISCRETIONARY IN NATURE. THAT LEAVES AVAILABLE FOR THE BOARD'S CONSIDERATION THE ALLOCATION OF FUNDS TOTALING, I BELIEVE, $7,353,000.

AND WHAT I HAVE PUT UP ON THE SCREEN FOR YOU IS AN IDENTIFICATION OF THE ALLOCATIONS THAT THE COMMITTEE, THE POLICY, RESEARCH, AND TECHNICAL ASSISTANCE COMMITTEE, CONSIDERED AND VOTED ON AT ITS APRIL COMMITTEE MEETING.

I WOULD LIKE TO POINT OUT FOR PURPOSES OF CLARIFICATION, BECAUSE I THINK THAT WE TEND TO CONFUSE TERMS A LOT, IS THAT WHAT YOU SEE IS AN ORGANIZATIONAL DELINEATION OF ACTIVITIES UP ON THE SCREEN. THE ITEMS REFLECTED UNDER PERMITTING AND ENFORCEMENT ARE THOSE ACTIVITIES WHERE THE PERMITTING AND ENFORCEMENT DIVISION IS IDENTIFIED AS LEAD. THE ACTIVITIES IDENTIFIED UNDER MARKET DEVELOPMENT ARE THOSE ACTIVITIES WHERE THE MARKET DEVELOPMENT DIVISION MAY BE LEAD, AS IS THE CASE WITH THE, FOR EXAMPLE, CCC LCC GRANT PROGRAM.

UNDER MARKET DEVELOPMENT, ONE OF THE PURPOSES OF THOSE -- THAT PROGRAM WILL BE TO SERVE DISPOSAL CLEANUP PURPOSES. AS WITH UNDER PERMITTING AND ENFORCEMENT, IF YOU LOOK AT THE

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STABILIZATION AND REMEDIATION, FOR EXAMPLE, WHERE THE BOARD HAS DIRECTED THAT THE TIRES BE DIRECTED TOWARDS AN END USE, THAT WOULD IN ITSELF SERVE THE MARKET DEVELOPMENT FUNCTION AS WELL AS THE DISPOSAL CLEANUP FUNCTION.

SO I JUST WANTED TO CLARIFY FOR THE RECORD THAT THIS REPRESENTS AN ORGANIZATIONAL DELINEATION, NOT A FUNCTIONAL DELINEATION. WE WOULD BE HAPPY, BOTH DOROTHY AND MYSELF, TO ANSWER ANY OF THE QUESTIONS THAT YOU HAVE ON ANY OF THE ITEMS. IF YOU WOULD LIKE US TO MAKE A PRESENTATION LINE BY LINE, WE CAN CERTAINLY DO THAT AS WELL.

CHAIRMAN PENNINGTON: OKAY. ANY QUESTIONS OF STAFF?

OKAY. WE HAVE TWO SPEAKERS FROM THE AUDIENCE THAT WOULD LIKE TO ADDRESS THE ISSUE. FIRST, MICHAEL GERSICK.

MR. GERSICK: THANK YOU, CHAIRMAN PENNINGTON AND MEMBERS. CAN YOU WAVE SO I CAN SEE WHERE YOU ARE APPROXIMATELY.

CHAIRMAN PENNINGTON: WE DON'T WANT YOU TO KNOW WHERE WE ARE.

MR. GERSICK: I CAN ALWAYS FIND YOU. THE COUNTY OF SAN BERNARDINO IS THE LARGEST COUNTY IN

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CALIFORNIA, AND I PRESUME WHAT THE PHILOSOPHY IS THAT IF YOU'VE GOT THE SPACE, YOU MAY AS WELL DAMN WELL USE IT. EITHER THAT OR THE SUPERVISORS OF THE FAIR COUNTY FEEL THE NEED TO KEEP THEMSELVES SECURELY REMOTE FROM THEIR CONSTITUENTS. BUT I KNOW YOU'RE THERE BECAUSE I HEARD YOU A FEW MINUTES AGO.

VERY QUICKLY, WE'RE HERE TODAY FOR THE PURPOSE, I HOPE, OF CLARIFICATION. THE PACE WHICH THE BOARD IS OBSERVING THIS YEAR IN THE DETERMINATION OF ITS WASTE TIRE MANAGEMENT BUDGET ALLOCATIONS IS TRULY DIZZYING, AND WE -- AND I WILL TELL YOU WHO WE ARE IN JUST A MOMENT -- ARE HAVING A BIT OF A HARD TIME KEEPING UP WITH THE RATHER INCREDIBLE EFFICIENCY THAT THE BOARD HAS DISPLAYED.

THE WE THAT I REFER TO IS THE CALIFORNIA TIRE RECLAMATION COUNCIL. THE COUNCIL IS THE CREATION OF AND DEDICATED TO INCREASING THE USE OF TIRE-DERIVED FUEL AT FIVE FLUIDIZED BED COMBUSTER EQUIPPED CURRENTLY SOLID FUELED CO-GENERATION FACILITIES WHICH PROVIDE PROCESSED STEAM TO INDUSTRIAL HOSTS AND SELL ELECTRICITY TO THE GRID.

THESE FIVE FACILITIES ARE LOCATED IN

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TWO LOCALES. TWO OF THEM ARE LOCATED IN STOCKTON; THREE OF THEM ARE LOCATED IMMEDIATELY OUTSIDE OF BAKERSFIELD. THE REASON WHY THE CURRENT COAL-FIRED OR SOLID-FUELED CO-GENERATION INDUSTRY IS CONSIDERING WASTE TIRE USE, I HOPE, IS REASONABLY OBVIOUS.

VERY QUICKLY, IT IS AN EXCELLENT TECHNOLOGICAL FIT. THE COMBUSTION TECHNOLOGY CURRENTLY IN PLACE WAS DESIGNED TO USE SOLID FUEL. IT HAS PROVEN IN SOME OTHER LOCATIONS TO BE SUITABLE FOR TDF. THE SOLID FUEL HANDLING SYSTEM IS IN PLACE, HAVE HAD YEARS OF EXPERIENCE AND HAVE BEEN TRIED AND PROVEN. THE INFRASTRUCTURE IS IN PLACE, THAT IS, TRUCK AND/OR RAIL. OFF LOADING FACILITIES EXIST.

WHAT REMAINS, GENTLEMEN AND LADY, BETWEEN THESE FIVE FACILITIES IN THEIR CURRENT MODE AND THESE FIVE FACILITIES AS THE COLLECTIVE USERS OF 10 MILLION TIRES A YEAR, 10 MILLION TIRES A YEAR, ARE REGULATORY ISSUES WHICH WE ARE CONFIDENT WILL BE RESOLVED AND ECONOMIC ISSUES WHICH REMAIN TO BE ADDRESSED. THE INCENTIVES TO UNDERTAKE THE NECESSARY MODIFICATIONS AND STEP AWAY TO SOME DEGREE -- STEP AWAY FROM THE CONVENTIONAL FAMILIAR AND CURRENTLY PERMITTED FUEL

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STREAMS WHICH THOSE FIVE FACILITIES USE TO THE MORE UNFAMILIAR AND ARGUABLY SOMEWHAT ECCENTRIC MARKETS OF WASTE TIRES ARE PURELY ECONOMIC.

AT THIS TIME THE ECONOMICS LOOK VERY POSITIVE, BUT THERE ARE ISSUES THAT REMAIN AND THE SINGLE ISSUE AND THE ONE WHICH I BELIEVE THIS BOARD MAY BE MOST INTERESTED IN FACILITATING IS THE QUESTION OF WHETHER THESE FACILITIES CAN ECONOMICALLY USE LEGACY TIRE TDF.

WITHIN A YEAR WE EXPECT TO BE PERMITTED TO USE TDF AT THE FACILITIES. THE INDUSTRY, BASED ON CURRENT LITERATURE AND EXPERIENCE ELSEWHERE, BELIEVES IT KNOWS THE OPTIMAL SIZE OF THE TDF FOR THE PARTICULAR HARDWARE THAT THESE FACILITIES OPERATE. THE QUESTION, OR RATHER THE OPPORTUNITY, IS WHETHER THE COMBUSTION OF LEGACY TIRE TDF CAN BE ECONOMICALLY COMPETITIVE WITH OTHER FUEL OPTIONS. SPECIFICALLY, IF SOME PORTION OF THE 10 MILLION TIRE ANNUAL DEMAND IS TO COME FROM LEGACY PILES, THE FACTORS WHICH AFFECT THE COST OF LEGACY TDF MUST BE IDENTIFIED, QUANTIFIED, AND EVALUATED.

FOR EXAMPLE, IF DEBRIS CONTAMINATION INCREASES WEAR ON SIZE REDUCTION EQUIPMENT AND REDUCES THE EFFICIENCY OF THE COMBUSTER, CAN WE

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1 VALUE THAT DEGRADATION AND JUSTIFY IT IN TERMS OF
2 THE COST OF THE FUEL INITIALLY? CAN WE COMPENSATE
3 FOR ADDITIONAL O&M COSTS THAT MAY OR MAY NOT BE A
4 CONSEQUENCE OF LEGACY PILE DERIVED TDF? WHAT
5 EFFECT WOULD LARGER SIZE TDF HAVE ON THE ASH
6 CHARACTERISTICS OF THE COMBUSTION SYSTEM? WHAT
7 COSTS ARE ASSOCIATED WITH VARIOUS MODES OF DEBRIS
8 REMOVAL; THAT IS, THE DEBRIS THAT WE WOULD FIND IN
9 LEGACY TIRE PILES'. HOW CAN WE MITIGATE EFFECT BY
10 MIXING LEGACY TDF WITH CLEAN-SIZE REDUCED
11 MATERIAL; THAT IS, FROM IN-TRANSIT TIRES? AND IF
12 WE CAN, IN APPROXIMATELY WHAT PROPORTIONS SHOULD
13 THAT MIX BE ATTEMPTED?
14 WITHOUT THE ANSWERS TO THESE
15 QUESTIONS, THIS INDUSTRY, THIS CAREFUL AND PRUDENT
16 INDUSTRY WILL TAKE THE SAFE COURSE. AND I'M
17 CONCERNED THAT NONE OF THE 10 MILLION TIRES IT

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18 CONVERTS TO STEAM AND ELECTRICITY EACH YEAR WILL

19 COME FROM LEGACY PILES. IT IS TO ANSWER SOME OF

20 THOSE QUESTIONS THAT WE HAVE SUGGESTED AND

21 DISCUSSED WITH SOME OF YOU THE VALUE OF AN END USE

22 PROCESSING FACILITY EVALUATION WHICH I BELIEVE IS

23 THE CATEGORY UNDER WHICH THIS ACTIVITY WOULD FALL.

24 AND THE ACTIVITY SPECIFICALLY AS WE CAN DEFINE IT

25 NOW IS A TEST TO DETERMINE OPTIMAL FUEL SIZE FOR

TDF TO BE USED IN FLUIDIZED BED COMBUSTION.

THE ECONOMICS THAT ARE ASSOCIATED WITH EITHER SIDE OF THAT OPTIMAL SIZE, AND THE DEGREE TO WHICH LEGACY TIRE PILE CONTAMINATION AFFECTS THE ECONOMICS OF BEING ABLE TO PRODUCE THAT FUEL SIZE IN A WAY THAT WOULD MAKE IT AN ATTRACTIVE OR AT LEAST A COMPARABLE ALTERNATIVE TO TDF THAT WAS AVAILABLE IN THE RUN OF THE MARKET, COMMERCIAL MARKETPLACE, I FELT THAT I OWED THE BOARD AND PARTICULARLY MEMBER JONES AN EXPLANATION OF WHERE WE WERE GOING WITH THIS.

I CERTAINLY HAVE APPRECIATED HIS INTEREST AND WILLINGNESS TO SHARE IDEAS WITH US TO THIS POINT. AND AGAIN, I UNDERSTAND THAT YOU ARE ACCUSTOMED TO HAVING BUDGET DECISIONS MADE ON RATHER MORE SPECIFIC AND CAREFULLY CRAFTED PROPOSALS THAN THIS. THIS IS A UNIQUE YEAR BECAUSE OF THE TIMING THAT YOU HAVE IMPOSED UPON THE BUDGET DETERMINATIONS, AND I ASK YOU AS YOU CONSIDER WHAT IS STILL A SOMEWHAT UNFORMED PROPOSAL, TO USE THE CRITERIA THAT I HAVE HEARD REPEATED SO OFTEN IN THE PAST YEAR OR TWO, WHERE ARE WE GOING TO GET THE LARGEST BANG FOR OUR BUCK.

THIS COALITION, THIS COUNCIL WITH

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25 THE PERMITS HAVING BEEN WON, IS GOING TO BE

BURNING TIRES. AND THE STATE AND THIS BOARD AND THE COUNCIL WILL BENEFIT THEREBY, WHETHER OR NOT WE CAN EXTEND THAT BENEFIT AND WORK WITH THIS BOARD TO PLAN SERIOUSLY AND REASONABLY FOR A RELATIVELY RAPID BURN-DOWN OF THE 30, 40, HOWEVER MANY MILLION TIRES THERE ARE IN LEGACY PILES, WILL DEPEND UPON CERTAIN QUESTIONS BEING ANSWERED WHICH I HOPE THIS BOARD FEELS IS WORTH THEIR TIME AND THEIR MONEY TO HELP ANSWER.

IF YOU HAVE ANY QUESTIONS, I WOULD BE HAPPY TO TRY AND ANSWER THOSE.

CHAIRMAN PENNINGTON: QUESTIONS OF MR. GERSICK? IF NOT, NOW WE'LL HEAR FROM MICHAEL HARRINGTON, ENVIRONMENTAL MOLDING CONCEPTS.

MR. HARRINGTON: HOWDY. I THINK THAT -- CHAIRMAN PENNINGTON, MEMBERS OF THE BOARD, MIKE HARRINGTON FROM ENVIRONMENTAL MOLDING CONCEPTS HERE IN SAN BERNARDINO. SO WELCOME TO SAN BERNARDINO. I HOPE SOMEBODY WELCOMED YOU EARLIER THAN I AM.

FIRST OF ALL, LET ME SAY, HEARKEN BACK A BIT TO MEMBER JONES' COMMENTS DEALING WITH THE WASTE TIRE PROBLEM AND THE CONCERTED EFFORT THAT THE BOARD AND YOU ALL OF THE VARIOUS OPTIONS FOR OR SOLUTIONS TO THE PROBLEM, WHETHER IT BE

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CEMENT KILNS, WHETHER IT BE COGEN, MELP, WHATEVER, THEY ARE NEEDED. AND TO ACTUALLY COME TO SOME TYPE OF A SOLUTION TO THE WASTE TIRE PROBLEM IN CALIFORNIA. ONE OF THE SOLUTIONS ALSO IS GOING TO BE RECYCLING, AND THAT'S WHAT WE ARE HERE TALKING ABOUT.

TO JUST DIVERT JUST FOR A MINUTE TO WHAT EVEN MICHAEL WAS SAYING MORE RECENTLY ABOUT LEGACY TIRE PILES, KIND OF AS AN ASIDE, AS YOU GO THROUGH AND ARE LOOKING AT HOW TO ALLOCATE FUNDS AND HOW TO GET THE BIGGEST BANG FOR YOUR BUCK, I THINK IT'S MAYBE ALMOST TOO OBVIOUS TO STATE THAT WHEN YOU'RE TRYING TO LOOK AT LEGACY TIRE PILES, THAT THERE IS NO REAL ECONOMIC VALUE THERE. THE ONLY WAY THOSE THINGS ARE GOING TO GO AWAY IS WITH SOME, AND UNFORTUNATELY, SOME TYPE OF GOVERNMENTAL SUPPORT.

IT TRIED TO LOOK AT IT ANYWAY, I KNOW, FROM A RECYCLING STANDPOINT. WE CERTAINLY AREN'T GOING TO GO IN AND WANT TO JEOPARDIZE OUR EQUIPMENT TO TRY TO CLEAN UP A LEGACY PILE OR ACCEPT TIRES FROM A LEGACY PILE. IT'S JUST NOT ECONOMICALLY PRUDENT FOR US. ANYWAY, JUST KIND OF

AN ASIDE.

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25 TO GET BACK NOW TO MY POINT ON TIRE

RECYCLING, THERE SEEMS TO BE, DUE TO LEGISLATIVE ACTIVITY, QUITE A PUSH TO COME UP WITH SOME CRITERIA FOR GRANT ALLOCATIONS FOR THE COMING YEAR. I WOULD LIKE TO TALK ABOUT A BARRIER, NOT ONE THAT YOU GUYS HAD EARLIER ON VARIOUS BARRIERS TO DOING THIS AND DOING THAT, BUT OURS IS A SOUND WALL BARRIER. WE'RE TALKING ABOUT EARMARKING OR SET ASIDE FUNDS FOR THE DESIGN, ENGINEERING, AND PURCHASING OF THE MOLDING EQUIPMENT AND PRESSES NECESSARY FOR THE MANUFACTURE OF SOUND WALLS PRODUCED FROM CRUMB RUBBER OR FROM WHOLE TIRE RECYCLING.

I KNOW YOU'RE NOT IN A POSITION TO MAKE ANY TYPE OF DETERMINATION AND I'M NOT ASKING FOR THAT. ALL I'M ASKING IS THAT AS YOU GO DOWN THE LISTS OF WHAT ITEMS YOU DO WANT TO LOOK AT, REMEMBER THAT TIRE RECYCLING IS, EVEN IN THE ORIGINAL '92 TDF REPORT, THAT ALL OTHER RECYCLING OPTIONS SHOULD BE CONSIDERED.

WITH THE SOUND WALL BARRIER, WE'RE TALKING ABOUT UP TO 92,000 TIRES RECYCLED PER MILE OF BARRIER BASED ON THE ESTIMATES WE'VE COME UP WITH. IT'S GETTING TO BE A LONG DAY. I'LL LEAVE WITH THAT AND THANK YOU VERY MUCH FOR YOUR TIME.

CHAIRMAN PENNINGTON: ANY QUESTIONS OF

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MR. HARRINGTON?

BOARD MEMBER GOTCH: I HAVE A QUESTION FOR STAFF REGARDING MR. HARRINGTON'S COMMENTS, AND THAT IS WE HAVE DONE SOME OTHER SOUND WALL PROJECTS IN THE PAST, IF YOU COULD PLEASE REMIND ME OF THOSE.

MS. TRGOVCICH: ASK MARTHA GILDART TO COME UP. SHE BROUGHT SOME OF THE SPECIFIC INFORMATION WITH HER. WE HAVE A NUMBER OF SOUND WALL PROJECTS THAT WE HAVE FUNDED. I BELIEVE ONLY ONE OF THOSE HAVE BEEN BROUGHT TO SUCCESSFUL COMPLETION, AND MAYBE MARTHA CAN DESCRIBE A LITTLE BIT OF THAT TO YOU.

WHILE SHE'S COMING UP, I WOULD SAY THAT AT THE STAFF WE DID HAVE DISCUSSION AROUND THE SOUND WALLS AFTER THE COMMITTEE MEETING EARLIER IN THE MONTH IN TERMS OF WHERE WOULD WE PROPOSE TO TAKE IT NEXT. IT'S OUR VIEW THAT IF THE BOARD WANTED TO CONSIDER FURTHER EVALUATION, RESEARCH, OR EXPENDITURE OF FUNDS IN THIS AREA, THAT IT WOULD BE APPROPRIATE TO BEGIN DISCUSSIONS WITH CALTRANS ON THE TYPES OF STUDIES, INFORMA-TION, ETC., THAT THEY WOULD WANT TO SEE AND PERHAPS PARTICIPATE IN TO BE ABLE TO TAKE IT TO THE NEXT STEP.

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MS. GILDART: GOOD EVENING. IT'S MARTHA GILDART WITH MARKETS DEVELOPMENT DIVISION. WE FUNDED ACTUALLY THREE DIFFERENT GRANTS THAT WERE TO DEVELOP SOUND WALLS MADE FROM RECYCLED TIRE RUBBER. ONE OF THEM WAS WITH THE COUNTY OF SACRAMENTO AND IT WAS VERY SUCCESSFUL. THEY DEVELOPED A PROTOTYPE AND BUILT IT. IT CONSISTS OF POLYMER-COATED PANELS FILLED WITH TIRE RUBBER THAT'S EXTRUDED IN A PLANK-LIKE SHAPE AND INSERTED BETWEEN, LIKE, UPRIGHT SUPPORTS SO THAT YOU CAN MAKE A WALL ALONG THE HIGHWAY.

THE OTHER TWO DID NOT GO THROUGH. ONE COMPANY WENT OUT OF BUSINESS AND ANOTHER ONE COULD NOT GET PERMITS FOR THEIR CONSTRUCTION. THOSE MONIES RETURNED TO THE TIRE FUND AND WERE AVAILABLE IN SUBSEQUENT YEARS.

WE FEEL THE SOUND WALL USE IS A VERY APPROPRIATE USE. WHETHER THERE IS A NEED TO DEMONSTRATE THE TECHNOLOGY, AGAIN, IS A QUESTION. THERE MIGHT BETTER BE A QUESTION OF COMMERCIALIZING THIS PROCESS. IT MIGHT BE POSSIBLE TO WORK WITH CALTRANS IN TRYING TO PROVIDE GREATER MARKET PENETRATION OF THIS KIND OF TECHNOLOGY. THE

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24 FORMER SPEAKER DID NOT REALLY MAKE A PROPOSAL

ON
25 HOW HE WOULD LIKE TO HAVE THE SOUND WALL
BARRIERS

ADVANCED, BUT I CAN SEE SOME PROJECT, PERHAPS, THROUGH CALTRANS.

BOARD MEMBER GOTCH: THANK YOU.

BOARD MEMBER JONES: MR. CHAIRMAN?

CHAIRMAN PENNINGTON: MR. JONES.

BOARD MEMBER JONES: MR. CHAIRMAN, I WOULD LIKE TO MAKE A -- THANK YOU, MARTHA -- I WOULD LIKE TO MAKE A MOTION ON THE DISCRETIONARY FUNDING FOR '97/98 TIRE FUNDS. THE -- AS IT SAYS UP ON THE WALL, I'M GOING TO HAVE TO KIND OF DO THIS WITH AND WITHOUT GLASSES BECAUSE I CAN'T SEE ANYTHING AT THIS POINT.

THE PRUDENT RESERVE IS $664,000, AND I THINK IT NEEDS TO BE THERE, AND I THINK WE NEED TO CONTINUE TO HAVE DOLLARS AVAILABLE FOR THE SAME REASONS WE DID IN '96/97. THE LEA GRANT PROGRAM OF $500,000, THESE ARE IDENTICAL TO WHAT IS ON THE WALL. HIGHWAY PATROL FOR $100,000. $40,000 FOR THE ATTORNEY GENERAL SERVICES. WE HAVE $150,000 IN HERE FOR ENVIRONMENTAL SERVICES, WHICH INCLUDES THE SCIENCE OF MONOFILLS. AND THAT WAS PUT IN SPECIFICALLY BECAUSE OF THE ISSUES THAT HAVE COME

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23 FORWARD BEFORE THE BOARD AND THE FACT THAT WE

HAVE

24 TO DEVELOP REGS AND WE NEED TO GUARANTEE THAT THE
25 SCIENCE INVOLVED WITH TIRE MONOFILLS IS FULLY

UNDERSTOOD BY THIS BOARD SO THAT WE DO NOT CREATE ANOTHER ENVIRONMENTAL DISASTER AS PART OF A SOLUTION.

$2,500,000 IN STABILIZATION AND REMEDIATION. 200,000 IN LOCAL GOVERNMENT CLEANUP MATCHING GRANTS. AND I THINK THERE IS -- I THINK THAT'S AN AREA WHERE WE CAN -- WHILE WE'RE GOING TO ALLOCATE IT TO THAT AREA, I WOULD LIKE TO SEE SOME DIALOGUE AT THE POLICY COMMITTEE ON SOME POTENTIAL PLUSES IN LOOKING AT HOW WE CAN DEVELOP THAT PROGRAM TO BE AS SUCCESSFUL AS WE CAN. I WOULD ASK THAT AT SOME POINT THAT THAT WOULD COME IN FRONT OF THE POLICY COMMITTEE. WASTE TIRE HAUL MANIFEST DATABASE OF $50,000 TO CREATE THE DATABASE TO TRACK EVERYTHING THAT WE'RE ASKING FOR. $54,000, STUDENT ASSISTANCE.

UNDER MARKET DEVELOPMENT, THE RRAC TECHNICAL ASSISTANCE CENTER UNDER AN RFP FOR $500,000. THE GRANT PROGRAM FOR MOLDED RUBBER PRODUCTS. THESE ARE MATCHING GRANTS. THEY CAN -- I'M PROPOSING THEY CAN INCLUDE PLAYGROUND MATS FOR UP TO A THIRD OF THAT $500,000.

THE THIRD BIANNUAL TIRE RECYCLING CONFERENCE FOR $50,000. THE CCCLCC GRANT PROGRAM OF $200,000. THE DGS, STATE PROCUREMENT MATS AND

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THRESHOLD RAMPS FOR $50,000. THE RMDZ LOAN PROGRAM FOR A MILLION DOLLARS. THE LEVEE CONSTRUCTION AND REPAIR AND OTHER CIVIL ENGINEERING PROGRAMS FOR $409,000.

I WOULD LIKE TO PREFACE THAT BY SAYING THAT IN '96/97 WE ARE FUNDING A FEASIBILITY STUDY TO MAKE SURE THIS PROJECT HAS MERIT TO GO FORWARD. BASED ON THE RESULTS OF THAT FEASIBILITY STUDY, WE GO FORWARD OR AT THAT POINT, IF IT DOESN'T LOOK LIKE THAT IT IS GOING TO BE A VIABLE PROJECT, THAT WE REALLOCATE THOSE DOLLARS. AND I'M NOT GOING TO PICK A -- I THINK WE HAVE TO GO THROUGH THE PROCESS AND REALLOCATE THE DOLLARS. I WANT TO BE ABLE TO DEAL WITH THAT.

THE TDF CRUMB RUBBER EDUCATIONAL VIDEO AND SUPPORT. I WANT TO CLARIFY THAT AS I INTERPRETED THIS AT THE COMMITTEE MEETING, WHAT WE HAD SAID WAS THAT THOSE FUNDS FOR TDF AND CRUMB RUBBER EDUCATIONAL VIDEO SUPPORT, THAT A PORTION OF THOSE FUNDS WOULD BE USED TO DISSEMINATE THE RESULTS AND EVEN THE PRINTING, IF IT TAKES THAT, OF THE DAMES & MOORE STUDY IN A READILY ACCESSIBLE FORM. STAFF SHOULD BE ABLE TO USE THAT REPORT AS A PUBLIC EDUCATION DOCUMENT. REPORTS TO THE COMMITTEE OR RECOMMENDATIONS FOR USE OF THESE

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FUNDS NEEDS TO HAPPEN FROM -- AFTER WE GET THAT DAMES & MOORE STUDY SO WE CAN DETERMINE WHETHER OR NOT A VIDEO, PAMPHLETS, AN EXECUTIVE SUMMARY, A BROCHURE, HOWEVER WE ARE GOING TO PUT THAT INFORMATION OUT IN THE MOST COST-EFFECTIVE AND EFFICIENT MANNER. AND I -- I AM HOPING THAT THAT IS CLARIFIED, THAT'S HOW WE'RE GOING TO DEAL WITH THAT ISSUE.

THE END USE PROCESSING FACILITY EVALUATION AND UPDATE OF 1992 TIRE REPORT. THE TIRE REPORT ISSUE I TALKED ABOUT IN '96/97. THE END USE THAT MR. GERSICK TALKED ABOUT, I THINK MR. GERSICK WAS CORRECT WHEN HE SAID THIS IS A LITTLE LESS DEVELOPED THAN WE PROBABLY WANT TO BUDGET DOLLARS FOR AT THIS POINT. BUT I WOULD LIKE TO GET THE CONSENSUS OF THE BOARD TO KEEP THAT DOLLARS, THAT LINE ITEM, AS WE WORK THROUGH THE COMMITTEE WITH -- OR THAT STAFF TAKES THE INITIATIVE TO TRY TO DEVELOP HOW WE CAN USE THIS. WE'RE TALKING ABOUT THE POTENTIAL TO GET RID OF 10 MILLION TIRES A YEAR AS A SUPPLEMENTAL FUEL, AND I THINK WE NEED TO DO EVERYTHING WE CAN TO MAKE SURE THAT THAT'S VIABLE.

OKAY. STUDENT ASSISTANCE FOR $36,000.

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CHAIRMAN PENNINGTON: THAT'S YOUR MOTION.

BOARD MEMBER JONES: I WAS JUST READING REAL QUICK. THAT IS MY MOTION.

BOARD MEMBER GOTCH: MR. CHAIR, I WOULD LIKE TO MOVE TO AMEND MR. JONES' MOTION.

CHAIRMAN PENNINGTON: YOU HAVE TO WAIT UNTIL WE GET A SECOND.

BOARD MEMBER RELIS: SECOND.

CHAIRMAN PENNINGTON: IT'S SECONDED.

BOARD MEMBER GOTCH: I WOULD LIKE TO AMEND.

CHAIRMAN PENNINGTON: MRS. GOTCH.

BOARD MEMBER GOTCH: THANK YOU.

I WOULD LIKE TO ASK FOR A SEPARATE LINE ITEM FOR THE PLAYGROUND MATTING. WE'VE SEEN A GREAT DEAL OF INTEREST IN A VERY SHORT TIME. WE HAD RECEIVED SOMETHING LIKE SOME 4,000 REQUESTS FOR FUNDING.

CHAIRMAN PENNINGTON: 4,000?

MS. TRGOVCICH: 400.

BOARD MEMBER GOTCH: I'M SORRY. 487 REQUESTS -- THANK YOU, CAREN -- FOR THIS. WE HAVE HAD TO AUGMENT IN THE CURRENT YEAR TO TRY TO COME CLOSE TO MATCHING THE A-LIST TO ACHIEVE THIS.

ALSO, EARLIER, MR. JONES, IN YOUR

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COMMENTS THAT YOU HAD MENTIONED THAT YOU'RE FROM AN INDUSTRY THAT'S RESULTS ORIENTED. THIS PLAYGROUND MATS PROGRAM HAS PROVED THAT IT WORKS. IN FACT, IT'S EXCEEDED OUR EXPECTATIONS.

WE HAVE RECEIVED APPLICATIONS FROM CITIES, COUNTIES, SCHOOL DISTRICTS UP AND DOWN THE STATE, DIVERTING THOUSANDS OF POUNDS OF TIRES AND ASSISTING LOCAL GOVERNMENTS WITH MEETING THE SAFETY AND ACCESSIBILITY STANDARDS REQUIRED BY LAW AND WORKING TO ESTABLISH DEVELOPING MARKETS FOR CRUMB RUBBER. I THINK THAT THIS SHOWS THAT THIS IS A PROGRAM THAT WORKS.

TO ACCOMPLISH THIS SEPARATE LINE ITEM, I'M SUGGESTING OR MOVING THAT WE REDUCE THE LEA GRANTS BY $200,000 SO THAT IT WOULD GO DOWN TO $300,000 FOR THE LEA GRANTS. THE LEA GRANTS WERE DECREASED BECAUSE THEY ONLY EXPENDED $110,000 OUT OF THE 200,000 THEY RECEIVED IN THE CURRENT YEAR. I UNDERSTAND THAT EFFORTS ARE BEING REVAMPED, SO I INCREASED THE AMOUNT FROM 200,000 TO 300,000. IT APPEARS A BIT PREMATURE TO JUSTIFY SPENDING $500,000 ON A PROGRAM WHEN OUR PAST EFFORT ONLY

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EXPENDED 110,000.

ALSO, I HAVE REDUCED THE RESERVE BY $41,000 AND FINALLY ELIMINATED THE END USE

PROCESSING. THE ELIMINATION OF THE END USE PROCESSING FACILITIES IS JUSTIFIED BECAUSE WE ALREADY FUNDED A MYRIAD OF STUDIES IN THIS AREA. I FUNDED FOUR MARKET ANALYSIS TYPE PROJECTS SINCE '92/93 AND OTHERS THAT ARE SIMILAR TO THAT. I'D RATHER REVIEW THOSE REPORTS AND OUR CIVIL ENGINEERING CONTRACT AT THIS JUNCTURE RATHER THAN THROWING MONEY INTO THAT AREA AGAIN.

BOARD MEMBER CHESBRO: I WILL SECOND THAT AMENDMENT.

CHAIRMAN PENNINGTON: IF I UNDERSTAND -- IT'S BEEN SECONDED, MR. CHESBRO SECONDED. IF I UNDERSTAND, THEN, THAT YOU HAVE AMENDED MR. JONES' MOTION BY REDUCING LEA GRANTS BY 200,000, TAKING 41 OUT OF PRUDENT RESERVE AND 200,000 OUT OF THE END USE PROCESSING FACILITY EVALUATION, FOR A TOTAL OF 441,000, PLUS YOU STILL WANT ONE-THIRD OF THE MOLDED RUBBER PRODUCTS?

BOARD MEMBER GOTCH: ACTUALLY, THE MOLDED RUBBER PRODUCTS, LET'S SEE, LET ME RUN DOWN THIS. I BELIEVE YOU ALL RECEIVED A COPY OF THE PROPOSAL THAT I HAVE AND THAT WAS -- I'M TRYING TO FIND

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IT.

23 SORRY.

24 CHAIRMAN PENNINGTON: I KNOW YOU'RE
25 AMENDING HIS MOTION, SO I NEED TO KNOW WHETHER
YOU

STILL INTEND TO TAKE ONE-THIRD BECAUSE HE SAID ONE-THIRD OF THE 500,000.

BOARD MEMBER GOTCH: NO. THANK YOU FOR CLARIFYING THAT. NO.

CHAIRMAN PENNINGTON: SO YOU'RE ASKING FOR 441,000 FOR PLAYGROUND MATS.

BOARD MEMBER GOTCH: NO. I'M ASKING -- I'M SORRY. IN FACT, I HAVE NOT -- I HAVE ALSO -- LET -- I HAVE SOME OTHER INCREASES HERE. SO I COVERED THE RESERVE, THE LEA GRANTS, THE WASTE -- EXCUSE ME -- THE STUDENT ASSISTANCE WOULD BE RAISED 21,000 TO 75,000. WE'VE HEARD FROM STAFF THAT --

CHAIRMAN PENNINGTON: UNDER WHICH --

BOARD MEMBER GOTCH: WELL, UNDER THE POLICY -- EXCUSE ME -- THE PERMITTING AND ENFORCEMENT.

CHAIRMAN PENNINGTON: ADD 21,000 TO THAT?

BOARD MEMBER GOTCH: CORRECT. ALSO I'VE ADDED 6,000 --

CHAIRMAN PENNINGTON: AND WHERE ARE YOU GETTING THAT 21 FROM?

BOARD MEMBER GOTCH: 21,000 COMES FROM -- IT MAY BE COMING FROM THE PRUDENT RESERVE. 41,000 FROM THE PRUDENT RESERVE. THIS WILL ALL ADD UP.

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LET ME GO DOWN MY LIST, IF I MAY.

CHAIRMAN PENNINGTON: OKAY.

BOARD MEMBER GOTCH: AND THEN LEVEE CONSTRUCTION, REPAIR WOULD BE ADDING $6,000 TO MAKE IT 415,000, TOTAL. PLAYGROUND MATS AT $375,000, AND THEN ALSO RAISING STUDENT ASSISTANCE IN THE MARKET DEVELOPMENT TO 75,000.

SO IF I CAN GO OVER THIS AGAIN, IT WOULD BE A DIFFERENCE OF REDUCING 41,000 FROM THE PRUDENT RESERVE, $200,000 FROM THE LEA GRANT PROGRAM, ADDING 21,000 TO THE STUDENT ASSISTANCE IN THE PERMITTING AND ENFORCEMENT AREA, ADDING $6,000 TO THE LEVEE CONSTRUCTION AND REPAIR. A SEPARATE ITEM WHICH WOULD ACTUALLY -- LET'S SEE, I CAN'T READ MY LINE HERE. I'M SORRY. FOR SOME REASON MY EYES ARE A LITTLE TIRED. END USE PROCESSING HAS BEEN DELETED FROM 200,000 AND A SEPARATE LINE ITEM FOR $375,000 FOR THE PLAYGROUND MATS. SO THAT'S ADDING $175,000. AND THEN FINALLY, ADDING 39,000 TO THE STUDENT ASSISTANCE IN THE MARKET DEVELOPMENT, WHICH ENDS UP WITH THE SAME TOTAL AS HAD COME OUT OF POLICY COMMITTEE.

MS. TRGOVCICH: I HAVE TRIED TO PUT THE PROPOSAL THAT MS. GOTCH WAS REFERRING TO UP ON

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THE
25 SCREEN.

BOARD MEMBER GOTCH: YOU CAN SEE IN THE LEFT-HAND COLUMN IS THE POLICY COMMITTEE --

BOARD MEMBER CHESBRO: COULD YOU MOVE IT OVER? ON OUR SCREEN IT'S NOT QUITE -- THE FAR RIGHT IS OFF THE GREEN A LITTLE BIT. ACTUALLY, MAYBE YOU COULD JUST SHRINK IT A LITTLE BIT.

BOARD MEMBER GOTCH: I HAVE AN ADDITIONAL COPY UP HERE AT THE DAIS IF ANYONE NEEDS IT.

BOARD MEMBER CHESBRO: MR. CHAIRMAN?

CHAIRMAN PENNINGTON: YES.

BOARD MEMBER CHESBRO: WHILE BOARD MEMBERS ARE LOOKING AT THE NUMBERS AND MEDITATING ON THEM, I WOULD LIKE TO MAKE AN ADDITIONAL GENERAL ARGUMENT IN FAVOR OF THIS AMENDMENT. AND THAT IS THAT YESTERDAY AT THE SENATE BUDGET SUBCOMMITTEE, MOST OF THE QUESTIONS ON THIS ITEM WERE RELATED TO THE QUESTION OF MARKETS AND WHETHER OR NOT THE BOARD WAS PURSUING THEM IN A WAY THAT WAS BALANCED WITH THE PERMITTING AND ENFORCEMENT ACTIVITIES. SO, OBVIOUSLY, AS A SIDE OF THE POINT, I'M COGNIZANT OF THE CONCERN OF THE SENATE.

BUT IN ADDITION TO THAT, YOU MAY RECALL THAT LAST YEAR THERE WAS A BIG POINT MADE BY MR. RELIS, AND I BELIEVE THE BOARD CONCURRED

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WITH HIM, ABOUT TRYING AS BEST WE COULD TO ACHIEVE A BALANCE, OR A 50/50 SPLIT OF SOME KIND BETWEEN THOSE TWO. THE PROPOSAL THAT WAS -- MR. JONES PUT FORWARD WAS OUT OF BALANCE IN THAT REGARD BY $800,000. AND WHAT MS. GOTCH HAS PUT FORWARD COMES A LOT CLOSER.

I THINK THERE IS STILL A SLIGHT IMBALANCE, BUT I THINK THERE'S A GREATER PARITY BETWEEN OUR ATTEMPTS TO HANDLE THE PERMITTING AND ENFORCEMENT ACTIVITY AND THE MARKET'S ACTIVITY. AND I THINK THAT'S A STRONG REASON FOR OUR APPROVING HER AMENDMENT.

CHAIRMAN PENNINGTON: I JUST WANT TO POINT OUT TO YOU THAT IT'S 500,000.

MR. CHANDLER: I COULD SPEAK TO THAT, AND MR. CHESBRO IS CORRECT. THE ISSUE OF MARKET DEVELOPMENT DID COME UP, ALTHOUGH IT CAME UP IN A MUCH BROADER CONTEXT OF HOW IS THE BOARD'S STRATEGIC DIRECTION BEING FOCUSED? IS IT MOVING TOWARDS LONG-TERM SUSTAINABLE MARKETS, OR IS IT CONTINUING TO LOOK AT THE PLANNING REQUIREMENTS, IF YOU WILL, AND REVIEWING THE PLANNING DOCUMENTS? WHEN IT CAME TO THE TIRE ITEM, THAT WAS ACTUALLY NOT DISCUSSED. THEY SIMPLY SAID WE'LL BRING THE TIRE ITEM BACK IF THE BOARD FAILS TO ALLOCATE THE

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TIRE FUNDS.

BUT THIS ISSUE OF 50/50 BETWEEN PERMITTING AND ENFORCEMENT AND MARKET DEVELOPMENT, I FEEL, AS THE DIRECTOR, I MUST MAKE A POINT HERE. I BELIEVE THE BOARD IS MISSING THE POINT IN THAT I HAVE TRIED TO ALLOCATE WITH THESE HEADINGS SIMPLY WHAT DIVISION IS GOING TO BE RESPONSIBLE FOR THE IMPLEMENTATION. BUT I WOULD ARGUE THAT WHEN YOU DIRECTED US TO DO CLEANUP PROJECTS AND ENSURE THAT THOSE CLEANUP PROJECTS GO TO END USE MARKETS, THAT THERE IS MARKET DEVELOPMENT GOING ON WITH OUR CLEANUP EFFORTS. AND THAT I THINK IT IS A MISREPRESENTATION TO SIMPLY LOOK AT THE CLEANUP PROGRAM AND SAY THAT IT IS SIMPLY PERMITTING AND ENFORCEMENT RELATED WORK WHEN WE FEEL WE'RE ACTUALLY STIMULATING MARKETS AND SUSTAINING, IF YOU WILL, THE INFRASTRUCTURE TO BUILD THOSE MARKETS LONG TERM.

SO I TAKE A BIT OF EXCEPTION WITH THE CONCEPT OF 50/50 AND ALLOCATING IT ACROSS THE WAY THESE NUMBERS ARE DISPLAYED BECAUSE I'M TRYING TO SHOW YOU WHICH DIVISIONS WOULD BE MANAGING THESE EFFORTS. I WOULD NOT WANT YOU TO THINK THAT I SEE THESE EFFORTS AS ONLY MARKET DEVELOPMENT OR PERMITTING AND ENFORCEMENT IN THEIR NATURE. THEY

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ARE NOT. WE THINK THEY ARE INTEGRATED MUCH BROADER THAN THAT, SO I JUST WANTED TO CLARIFY THAT POINT.

BOARD MEMBER CHESBRO: I WOULD LIKE TO CORRECT MY PREVIOUS STATEMENT, MR. CHAIRMAN, WHERE I INDICATED AN $800,000 IMBALANCE IN MR. JONES' PROPOSAL. ACCORDING TO WHAT I CAN FIGURE, IT'S MORE LIKE 500,000 AND THE GOTCH PROPOSAL IS SOMEWHERE IN THE NEIGHBORHOOD OF A HUNDRED THOUSAND DIFFERENCE.

BOARD MEMBER RELIS: MR. CHAIR?

CHAIRMAN PENNINGTON: YES, MR. RELIS.

BOARD MEMBER RELIS: I HAVE A COUPLE OF POINTS OF INFORMATION AND CLARIFICATION. WOULD YOU REFRESH MY MEMORY ON WHAT IS OUR -- WELL, FIRST OF ALL, SIMPLY ADOPT A BUDGET SHORTLY. WHAT IS OUR LATITUDE TO ADJUST AS WE GO DOWN THE LINE, THAT JUST LIKE OTHER PROJECTS WHERE WE FOUND THAT THEY DON'T MATERIALIZE AS EXPECTED, WHAT IS OUR LATITUDE TO MOVE MONEY WITHIN THESE CATEGORIES THAT ARE APPROVED BETWEEN THE LISTING THAT WE HAVE BEFORE US? JUST WITHOUT NUMBERS.

MR. CHANDLER: I IT'S IMPORTANT THAT WHAT THE LEGISLATURE IS LOOKING FOR IS A SUBMITTAL FROM THIS BOARD AS TO HOW IT INTENDS, IN A BROAD

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CATEGORY WAY, TO ALLOCATE THE MONEY. SO SOMETHING LIKE THIS OR WHATEVER YOU DECIDE TODAY IS CERTAINLY GOING TO MEET THAT NEED.

BOARD MEMBER RELIS: SO THEY'RE LOOKING AT THE -- CERTAINLY, IN PART, THE CATEGORIES --

MR. CHANDLER: THE LEA ACKNOWLEDGED THAT THE RECEIPT OF THIS AGENDA ITEM, AGAIN, NOT SPEAKING TO WHETHER OR NOT IT WAS RIGHT OR WRONG, PROVIDED THE LEVEL OF SPECIFICITY THAT THEY WERE LOOKING FOR TO ENSURE THAT THE BOARD WAS PROVIDING THE KIND OF EARLY DIRECTION ON HOW WE INTEND TO USE THE MONIES NEXT YEAR.

BUT WITH REGARD TO YOUR BROADER QUESTION, I THINK, WHICH IS HOW WOULD WE DOWN THE ROAD REALLOCATE OR ADJUST DOLLARS, IT WOULD BE LIKE WE HAVE JUST PAINFULLY CONCLUDED, THAT WE WOULD BE CONTINUING TO BRING BACK TO THIS BOARD STATUS REPORTS ON WHERE WE ARE WITH THE ENCUMBRANCE AND GIVE THE BOARD THE OPPORTUNITY TO MAKE ADJUSTMENTS AS IT DEEMS NECESSARY TO ENSURE THAT THE FUNDS ARE APPROPRIATELY ENCUMBERED AND MEET THE OBJECTIVES THAT YOU'RE LOOKING FOR AS THE FISCAL YEAR PROCEEDS.

MS. TRGOVCICH: MAYBE JUST TO PROVIDE AN EXAMPLE OF THAT, YOU LOOK AT THE STATEWIDE CENTER,

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THE RRAC TECHNICAL ASSISTANCE CENTER, AT $500,000, I WAS GOING TO ASK FOR THIS CLARIFICATION ON THE RECORD, BUT I WILL USE THIS OPPORTUNITY TO RAISE IT. AT THE COMMITTEE MEETING THE STAFF PROPOSAL WAS THAT THAT MONEY WOULD BE SET ASIDE FOR THIS PURPOSE, BUT THAT THE STATEWIDE CENTER AGREEMENT WOULD NOT BE AUGMENTED BY THAT AMOUNT IMMEDIATELY. AND, IN FACT, THE STAFF WERE PROPOSING TO COME BACK WITH A MIDFUNDING REVIEW BEFORE THE POLICY COMMITTEE SO THAT THE POLICY COMMITTEE COULD LOOK AT HOW THAT PROJECT WAS PROCEEDING AND DETERMINE AT THAT POINT AS TO WHETHER OR NOT THE COMMITTEE AND BOARD WANTED TO THEN INFUSE THAT ADDITIONAL $500,000. SO THIS IS A STATEMENT OF YOUR INTENT WITH AN OPPORTUNITY TO REVIEW DOWN THE ROAD.

BOARD MEMBER RELIS: OKAY. IF I COULD JUST COMMENT ON A COUPLE OF CATEGORIES IN HERE, AND I WOULD SAY THAT IN THE FRAMEWORK THAT HAS BEEN EXPRESSED BY THESE CATEGORIES, THE LEVEE AND CONSTRUCTION AND REPAIR, OBVIOUSLY, WE'RE GOING INTO THAT WITH A HARD LOOK AT THE FEASIBILITY. WE WANT TO SPEND THAT MONEY CERTAINLY, IF IT'S FEASIBLE. IF IT ISN'T, THEN WE HAVE ROUGHLY 400 -- WELL, 409,000 TO POTENTIALLY REALLOCATE, CORRECT?

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CHAIRMAN PENNINGTON: THAT'S CORRECT.

BOARD MEMBER FRAZEE: THAT'S ALSO INDICATED -- IT'S LIKE SOUND WALL CONSTRUCTION.

CHAIRMAN PENNINGTON: AND I WOULD POINT OUT TO YOU THAT UNDER MRS. GOTCH'S PLAN IT'S 415.

BOARD MEMBER RELIS: UNDER, FOR INSTANCE -- AND I WOULD CERTAINLY NEED MUCH MORE DETAIL TO FEEL ANY CONFIDENCE THAT THE END USE PROCESSING FACILITY -- I DON'T STILL HAVE REALLY A CLEAR IDEA OF WHAT THAT WOULD BE; AND IF THAT ISN'T SOLID, VERY SOLID, THEN WE WOULDN'T -- OKAY. I JUST WANTED TO UNDERSTAND -- MAKE SURE I UNDERSTOOD THAT. OKAY. THANK YOU.

CHAIRMAN PENNINGTON: I WOULD LIKE TO COMMENT ON THAT I FELT VERY COMFORTABLE WITH WHAT THE COMMITTEE HAD DONE. I THINK THAT THE PLAYGROUND MATS, I WOULD BE WILLING TO DO SOME ADJUSTMENT THERE, MAKE SURE THAT THERE IS A LINE ITEM THAT IF WE HAVE LEFTOVERS, THAT WE COULD TRANSFER TO. BUT I WOULD LIKE TO SEE SOME KIND OF REPORT ON -- WE KNOW IT'S SUCCESSFUL BECAUSE THEY APPLIED, BUT IS IT SUCCESSFUL WHEN IT GETS THERE AND IS IT SUCCESSFUL ON THE PLAYGROUNDS? ARE WE REALLY GETTING WHAT WE THINK WE'RE GETTING? AND I WOULD LIKE TO SEE THAT BEFORE WE SPEND A GREAT

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DEAL MORE MONEY ON THIS. WE OUGHT TO EVALUATE THEIR WORTH AND THE AMOUNT OF TIRES THAT GO INTO THEM, WHETHER THEY ARE, YOU KNOW, A SUCCESSFUL PROJECT. SO I WOULD ONLY AMEND --

BOARD MEMBER GOTCH: MR. CHAIR?

CHAIRMAN PENNINGTON: YES.

BOARD MEMBER GOTCH: WE HAVE DONE THAT AND WE HAVE FUNDED THIS SINCE 1992, I BELIEVE. IN FACT, I AM WONDERING, MARTHA, IF YOU COULD -- SORRY TO PUT YOU ON THE SPOT. IF YOU COULD ADDRESS THAT, PLEASE, WITH THE --

MS. GILDART: AS YOU'RE AWARE, WE HAD GIVEN A GRANT TO WHAT WAS THEN BAS FOR DEVELOPMENT OF A PLAYGROUND SURFACE. WE'VE ALSO GIVEN, THIS IS IN '92/93, ANOTHER $20,000 GRANT TO ENVIROMED FOR A PLAYGROUND SURFACE.

MS. TRGOVCICH: MARTHA, MAYBE JUST TELL US -- PROVIDE SOME ADDITIONAL INFORMATION. WAS THIS FOR DEVELOPMENT OF THE SURFACING MATERIAL OR THE PLACEMENT OF THE MATERIAL?

MS. GILDART: THE BAS GRANT DID PLACE A PLAYGROUND MAT. THEY FIRST DEVELOPED THE MATERIAL AND THEN PLACED IT. THE OTHER TWO, I BELIEVE, WERE FOR DEVELOPMENT OF THE MATERIAL. ACTUALLY, IF MIKE HARRINGTON IS WILLING TO SPEAK TO THE

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SUCCESS OF HIS EARLY PROJECT, HE MIGHT GIVE YOU A FIRSTHAND RATE.

BOARD MEMBER GOTCH: THE POINT I WAS REALLY ASKING IS THAT WE'VE DONE THIS. WE HAVE GONE THROUGH, ACTUALLY, WHAT MR. PENNINGTON HAS ASKED, AND THAT FUNDING THIS IS BASICALLY CLOSING THE LOOP FROM WHAT WE HAVE DONE WITH OUR STUDIES.

BOARD MEMBER RELIS: I THINK THE QUESTION, THOUGH, IS -- AND I DON'T HAVE A JUDGMENT ON THIS, BUT WHAT IS GOING TO BE THE IMPACT ON TIRES DIVERTED, EXISTING TIRES, CALIFORNIA TIRES BY PUTTING THEM INTO MATS?

MR. HARRINGTON: FOR EVERY TILE THAT IS LAID, TWO FOOT BY TWO FOOT TILE, THREE TIRES ARE RECYCLED. EACH MAT WEIGHS APPROXIMATELY 33 POUNDS, AND IT REQUIRES A RECYCLING OF THREE TIRES TO GET THE CRUMB RUBBER NECESSARY TO PUT THE MAT DOWN. SO IN A PLAYGROUND THAT ONLY USED, SAY, AS FEW AS A THOUSAND MATS, YOU'RE LOOKING AT 3,000 TIRES RECYCLED. AND THAT WOULD BE, YOU KNOW, NOT AN EXTREME --

BOARD MEMBER RELIS: PER THOUSAND SQUARE FEET OF MAT, YOU MEAN?

MR. HARRINGTON: NO. A THOUSAND MATS.

BOARD MEMBER RELIS: A THOUSAND MATS?

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MR. HARRINGTON: SO THAT WOULD BE 4,000 SQUARE FEET. TILES, MATS. THEY ARE TWO FOOT BY TWO FOOT BY THREE INCHES. AND THEY WERE, WHEN WE GOT INTO THIS, AS WE WERE PROBABLY ONE OF THE FIRST IN THE STATE AS A WHOLE TIRE RECYCLER INTO CRUMB RUBBER, WE CAME BEFORE THE BOARD AND WERE AWARDED A GRANT FOR -- TO EVALUATE THE INCORPORATION OF CRUMB RUBBER INTO A PLAYGROUND SURFACING TO MEET THE REQUIREMENTS OF NOT ONLY THE CONSUMER PRODUCT SAFETY COMMISSION, BUT THE AMERICANS WITH DISABILITIES ACT.

BOARD MEMBER RELIS: MR. HARRINGTON, IF I COULD JUST -- ARE THOSE ALL CALIFORNIA TIRES, CERTIFIED FROM CALIFORNIA, OR ARE THEY FROM ANYWHERE?

MR. HARRINGTON: NO, THEY ARE -- YOU'RE BASICALLY TALKING CALIFORNIA TIRES. WE'RE IN SAN BERNARDINO. WE WOULD BE HAPPY TO GO ABOUT A MILE AND A HALF OVER HERE AND TAKE A LOOK AT THEM.

BOARD MEMBER RELIS: WELL, I WOULDN'T KNOW WHERE THEY WOULD COME FROM.

BOARD MEMBER GOTCH: OUR GRANT ALSO ASKS THAT THESE BE CALIFORNIA TIRES THAT ARE UTILIZED.

MR. HARRINGTON: THAT IS ABSOLUTELY NO PROBLEM. THE MAJORITY OF THE TIRES WE GET ARE ON

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A CONTRACT BASIS FOR LOCAL SUPPLIERS.

CHAIRMAN PENNINGTON: WHAT IS THE COST INVOLVED? I MEAN THREE TIRES AT WHAT COST?

MR. HARRINGTON: I'M SORRY. I DON'T UNDERSTAND THE QUESTION.

CHAIRMAN PENNINGTON: WELL, YOU'RE BUYING THE TIRES. ARE YOU PAYING SOMEBODY FOR THE TIRES?

MR. HARRINGTON: WE'RE ACCEPTING THE TIRES AT OUR FACILITY FOR RECYCLING.

CHAIRMAN PENNINGTON: AND WHAT DOES THE MAT ITSELF COST?

MR. HARRINGTON: THE FINISHED PRODUCT WITH COLOR IN IT AND MEETING A NINE-FOOT DROP HEIGHT PER ASTM HAS A RETAIL GOVERNMENT COST IN THE NEIGHBORHOOD OF $8.50 CENTS PER SQUARE FOOT.

CHAIRMAN PENNINGTON: PER SQUARE FOOT. THE TILE, THE TWO BY TWO TILE, WHAT DOES IT COST?

MR. HARRINGTON: ROUGHLY $32.

CHAIRMAN PENNINGTON: SO THAT'S ABOUT 10 BUCKS A TIRE IT'S COSTING US?

MR. HARRINGTON: NOW YOU'RE TALKING ABOUT TIRES -- NOW WE SELL ALSO EIGHTY AND A HUNDRED MESH CRUMB RUBBER THAT WE'RE TALKING NOW PROBABLY 30 A TIRE. IF YOU WANT TO GET DOWN INTO AN EIGHT AND A HUNDRED MESH THAT WE'RE PRODUCING FOR

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INCORPORATION INTO RUBBER COMPOUNDS, NOW YOU'RE PROBABLY 30, $35 A TIRE.

BOARD MEMBER GOTCH: MAY I ADD SOMETHING? THIS MIGHT ANSWER MR. RELIS' QUESTION, AND THAT IS WITH THIS CURRENT GRANT FOR THE PLAYGROUND MATTING, STAFF ESTIMATES THAT THEY'RE DIVERTING 880,000 POUNDS OF TIRES AND 44,000 TIRES FROM DISPOSAL. BUT IF THIS IS TO CONTINUE YEAR AFTER YEAR, WHICH IS WHAT I WOULD LIKE TO SEE HAVE HAPPEN, WE HAVE THE -- WE HAVE THE CAPABILITY OF UTILIZING UP TO THREE MILLION TIRES SPECIFICALLY FOR PUBLIC ELEMENTARY SCHOOLS. AND WITH THE POSSIBILITY OF GOING AS HIGH AS 12 MILLION TIRES, COVERING ALL THE PLAYGROUNDS IN THE STATE. AS WE KNOW FROM EARLIER CONVERSATIONS, 90 PERCENT OF THE PLAYGROUNDS HAVE TO BE RESURFACED.

BOARD MEMBER JONES: I'M NOT OPPOSED TO PLAYGROUND MATS. I DON'T WANT THIS TO BE A DISCUSSION BETWEEN WHAT IS THE APPROPRIATE USE OF CRUMB RUBBER. BRING UP A POINT -- AND I WANT TO MAKE SURE I DIDN'T MISHEAR THIS -- WE -- BY THIS GRANT PROGRAM, WE GOT RID OF 44,000 TIRES?

BOARD MEMBER GOTCH: WE ACTUALLY GOT RID OF THE TIRES. WE DIDN'T DO A STUDY; WE'RE NOT DOING A VIDEO. WE GOT RID OF THE TIRES.

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BOARD MEMBER JONES: I UNDERSTAND. SO WE GOT RID OF 44,000 TIRES FOR $350,000. THAT IS A BARGAIN. ESPECIALLY WHEN WE'RE GOING TO SPEND $200,000 TO SEE IF WE CAN GET RID OF 10 MILLION TIRES. TEN MILLION TIRES. NOT 44,000 TIRES, 10 MILLION TIRES. I THINK CRUMB RUBBER NEEDS TO BE THERE. I DON'T WANT TO SEE MR. HARRINGTON OR ANY OF HIS PEOPLE GET CAUGHT UP IN A DISCUSSION SIMILAR TO THE ONE THAT WE HAD ON '96/97 WHERE WE LOST FOCUS WHAT WE'RE DOING. I MEAN, I'M JUST SAYING, YOU BRING FORWARD THE 44,000 TIRES. THAT COST US $350,000.

BOARD MEMBER GOTCH: IT'S A DIFFERENCE ALSO BETWEEN A STUDY WHERE WE'RE NOT DIVERTING ANY TIRES AND WHERE WE'RE ACTUALLY DIVERTING TIRES AND UTILIZING THEM. ALSO, IT'S GENERATING MARKETS.

CHAIRMAN PENNINGTON: WHAT WE HAVE HERE IS WE HAVE A MOTION ON THE FLOOR, SO LET'S --

BOARD MEMBER CHESBRO: I HAVE ONE QUICK COMMENT, MR. CHAIRMAN.

CHAIRMAN PENNINGTON: SURE.

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22 BOARD MEMBER CHESBRO: AND THAT IS THAT I

23 ALSO THINK, AS WITH THE RRAC, THE HOPE IS THAT THE

24 UTILITY OF THE PROCESS AND THE PRODUCT IS GOING TO

25 BE DEMONSTRATED IN THAT THESE THINGS WILL CATCH ON

AND BY THEIR OWN -- FOR THE BENEFITS THAT ARE INVOLVED AND THAT ULTIMATELY IT WON'T WIND UP BEING A GOVERNMENT SUBSIDIZED PROGRAM. THAT'S CERTAINLY THE INTENT WITH THE RRAC, AND I THINK THAT SHOULD BE THE INTENT ALSO WITH THE PLAYGROUND MATS. YOU KNOW, THE SCHOOL WILL FIND THAT THEY'RE A REALLY GREAT PRODUCT AND THE MARKET WILL BE ESTABLISHED. SO THERE IS MORE TO IT THAN JUST THE SHORT-TERM COST OF THE PRODUCT.

CHAIRMAN PENNINGTON: BUT WE HAVE BEEN DOING THAT, WHAT, SINCE '92?

BOARD MEMBER GOTCH: THE STUDY STARTED IN '92.

CHAIRMAN PENNINGTON: AND HOW LONG HAVE WE BEEN BUYING THESE MATS?

BOARD MEMBER GOTCH: THIS IS OUR FIRST YEAR.

MR. HARRINGTON: THIS IS THE FIRST YEAR THAT ANY FUNDS WERE MADE AVAILABLE. WHAT YOU ARE DOING IS STIMULATING MARKETS. WE'RE NOT ONLY SELLING THEM IN CALIFORNIA. WE'RE SELLING THROUGHOUT THE UNITED STATES. WHAT -- THIS IS WHAT MARKET DEVELOPMENT IS ALL ABOUT. I CERTAINLY DON'T EXPECT THE STATE TO PURCHASE ALL OF THE MATS THAT WE'RE CAPABLE OF PRODUCING.

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CHAIRMAN PENNINGTON: THAT'S AN INTERESTING COMMENT YOU MADE. YOU'RE SELLING THEM ALL OVER THE STATES?

MR. HARRINGTON: WE'RE SELLING THEM THROUGHOUT THE SOUTHWEST, THAT'S CORRECT.

CHAIRMAN PENNINGTON: OTHER STATES ARE SUBSIDIZING IT?

MR. HARRINGTON: NO. THE OTHER STATES AREN'T SUBSIDIZING IT.

BOARD MEMBER GOTCH: IT'S A WHOLE DIFFERENT ISSUE.

CHAIRMAN PENNINGTON: WE HAVE A MOTION ON THE FLOOR.

MR. HARRINGTON: IT'S A DIFFERENCE BETWEEN MARKET DEVELOPMENT AND EXISTING MARKETS. THAT WAS ONE OF THE GOALS THAT YOU HAD SAID YOU WANTED TO DO, WAS --

CHAIRMAN PENNINGTON: THANK YOU. WE HAVE A MOTION BEFORE US HERE. I THINK -- ARE WE CLEAR ON WHAT THE MOTION IS?

WILL THE SECRETARY CALL THE ROLL?

THIS IS MRS. GOTCH'S AMENDMENT TO SUBSTITUTE.

BOARD SECRETARY: BOARD MEMBER CHESBRO.

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25 BOARD MEMBER CHESBRO:
AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: NO.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: NO.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: NO.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

CHAIRMAN PENNINGTON: NO.

MOTION FAILS. CAN I MAKE AN SUBSTITUTE TO YOUR MOTION?

BOARD MEMBER JONES: OF COURSE, MR. CHAIRMAN.

CHAIRMAN PENNINGTON: I WOULD MOVE THAT WE TAKE A HUNDRED THOUSAND OUT OF THE LEA GRANT PROGRAM, THAT WE TAKE 200,000 OUT OF THE MOLDED RUBBER PRODUCTS, AND PUT THE 300,000 INTO THE PLAYGROUND MATS. THAT WOULD LEAVE US 400,000 IN THE LEA GRANTS, THAT WOULD LEAVE US 300,000 IN THE MOLDED RUBBER PRODUCTS, AND STRIKE THE ONE-THIRD THAT WAS THERE.

BOARD MEMBER JONES: THAT WILL WORK.

BOARD MEMBER GOTCH: I'LL SECOND IT.

CHAIRMAN PENNINGTON: OKAY. ANY FURTHER

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DISCUSSION?

MR. CHANDLER: IS STAFF CLEAR ON THE ALLOCATIONS?

MS. TRGOVCICH: MAYBE JUST TO RESTATE, DOROTHY, IF YOU WANT TO RESTATE CHANGES.

MS. RICE: YES. I UNDERSTOOD THE CHANGES TO MR. JONES' MOTION, WHICH WAS ESSENTIALLY THE COMMITTEE MOTION FROM POLICY COMMITTEE TO REDUCE THE LEA GRANT PROGRAM FROM 500,000 TO 400,000 AND TO CREATE A NEW CATEGORY OF PLAYGROUND MATS AT 300,000 AND TO REDUCE THE MOLDED RUBBER PRODUCTS CATEGORY FROM $500,000 TO $300,000.

CHAIRMAN PENNINGTON: CORRECT.

YOU WANT TO CALL THE ROLL?

BOARD SECRETARY: BOARD MEMBER CHESBRO.

BOARD MEMBER CHESBRO: AYE.

BOARD SECRETARY: FRAZEE.

BOARD MEMBER FRAZEE: AYE.

BOARD SECRETARY: GOTCH.

BOARD MEMBER GOTCH: AYE.

BOARD SECRETARY: JONES.

BOARD MEMBER JONES: AYE.

BOARD SECRETARY: RELIS.

BOARD MEMBER RELIS: AYE.

BOARD SECRETARY: CHAIRMAN PENNINGTON.

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CHAIRMAN PENNINGTON: AYE.

OKAY. THAT'S GOING TO DO IT FOR THE DAY, FOLKS. WE WILL RECESS NOW AND RECONVENE TOMORROW MORNING AT 9:30 IN THE LIBRARY. WE WILL BE IN THE LIBRARY AT 555 WEST 6TH STREET.

(THE MEETING WAS THEN RECESSED AT 6:10 P.M.)

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