

APPEARANCES

MR. DANIEL G. PENNINGTON, CHAIRMAN
MR. ROBERT C. FRAZEE, VICE CHAIRMAN
MR. JOHN AMODIO, MEMBER
MR. WESLEY CHESBRO, MEMBER
MR. DAN EATON, MEMBER
MR. STEVEN R. JONES, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER
MR. KEITH SMITH, DEPUTY EXECUTIVE OFFICER
MS. KATHRYN TOBIAS, CHIEF LEGAL COUNSEL
MS. MARLENE KELLY, BOARD SECRETARY
MS. PATTI BERTRAM, ADMINISTRATIVE ASSISTANT



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1 SACRAMENTO, CALIFORNIA; THURSDAY, MAY 28, 1998

2 9:30 A.M.

3

4 CHAIRMAN PENNINGTON: GOOD MORNING. AND

5 WELCOME TO THE SECOND DAY OF THE MAY CALIFORNIA

6 INTEGRATED WASTE MANAGEMENT BOARD REGULAR MONTHLY

7 MEETING. WILL THE SECRETARY CALL THE ROLL, PLEASE.

8 ROLL.

9 THE SECRETARY: BOARD MEMBER AMODIO. ABSENT.

10 BOARD MEMBER CHESBRO. ABSENT. HE'LL BE HERE. EATON.

11 BOARD MEMBER EATON: HERE.

12 THE SECRETARY: FRAZEE.

13 BOARD MEMBER FRAZEE: HERE.

14 THE SECRETARY: ' JONES.

15 BOARD MEMBER JONES: HERE.

16 THE SECRETARY: CHAIRMAN PENNINGTON.

17 CHAIRMAN PENNINGTON: HERE. WE HAVE A

18 QUORUM. WE'LL START WITH EX PARTES.

19 BOARD MEMBER FRAZEE: NONE FOR ME.

20 BOARD MEMBER EATON: NONE FOR ME.

21 BOARD MEMBER JONES: QUICK CONVERSATION WITH

22 MIKE MAHAJER ABOUT AB 939 AND BASE YEAR.

23 CHAIRMAN PENNINGTON: THERE ARE SPEAKER SLIP

24 FORMS IN THE BACK OF THE ROOM. IF ANYBODY WISHES TO

25 ADDRESS ANY ITEM ON THE AGENDA THIS MORNING, GET ONE,

4



1 FILL IT OUT, AND GET IT TO MS. KELLY.
2 WE'RE GOING TO REVERSE THE ORDER SO THAT
3 THIS MORNING WE'LL START WITH NO. 42 AND THEN GO TO 41
4 AND THEN GO TO 40. COUNT BACKWARDS FOR A CHANGE. SO
5 WE'LL START -- OH, AND BY THE WAY, WHAT I WOULD LIKE TO
6 DO IS ON THE SPEAKERS, I WOULD LIKE THE PRESENTATIONS,
7 THE TWO PRESENTATIONS, TO BE MADE AND THEN WE'LL TAKE
8 COMMENTS FROM THE PUBLIC.
9 OKAY. WE'LL START WITH ITEM NO. 42,
10 PRESENTATION OF THE PERFORMANCE PLAN DEVELOPED BY THE
11 IMPROVING SOLID WASTE FACILITY COMPLIANCE PRIORITY AREA
12 TEAM AND KEITH SMITH, DOROTHY RICE, ET AL.
13 MS. RICE: GOOD MORNING. I'M DOROTHY RICE,
14 DEPUTY DIRECTOR OF THE PERMITTING AND ENFORCEMENT
15 DIVISION. GOOD MORNING, BOARD MEMBERS, MR. CHAIRMAN,
16 AUDIENCE, FULL HOUSE. THAT DOESN'T MAKE US NERVOUS OR
17 ANYTHING.
18 FIRST OF ALL, I WANT TO ACKNOWLEDGE THE
19 TEAM THAT PUT THIS PLAN TOGETHER THAT WILL THEN PRESENT
20 TO YOU. THE TEAM MEMBERS ARE UP ON YOUR SCREEN THERE:
21 MYSELF, SKIP AMERINE, JOHN BELL, JONATHAN CLAY, LLOYD
22 DILLON, SUSANNE HAMBLETON, REINHARD HOHLWEIN, DASSI
23 PINTAR, KATHRYN TOBIAS, TOM UNSELL. OUR FACILITATOR
24 FOR OUR MEETINGS AND OUR PROCESS WAS CINDY JONES. I'D
25 ALSO LIKE TO ACKNOWLEDGE RUBIA PACKARD, WHO ASSISTED US



1 EARLY ON IN OUR INITIAL MEETINGS AND THEN GOT TOO BUSY,
2 AND THEN CINDY JOINED US. I REALLY WANT TO THANK THIS
3 TEAM. IT WAS A GREAT GROUP OF STAFF GROUP, AND IN
4 PARTICULAR THANK JONATHAN CLAY AND REINHARD HOHLWEIN
5 FOR THE PRESENTATION THAT YOU WILL SEE TODAY, WHICH I
6 ENJOY.
7 WHEN WE INITIALLY BEGAN MEETING, WE
8 DEVELOPED SOME GENERAL CONCEPTS TO GUIDE OUR WORK. WE
9 STARTED NATURALLY WITH THE PRIORITY AREA THAT WE HAD
10 PRESENTED TO THE BOARD, I BELIEVE, LAST NOVEMBER, AND
11 WITH THAT GUIDANCE, WE DEVELOPED A GOAL FOR OUR TEAM OF
12 IMPROVING FACILITY COMPLIANCE WITHIN THE STATE OF
13 CALIFORNIA, AS WELL AS A TEAM MISSION WHICH WE
14 DESCRIBED AS PREPARING AN INTEGRATED PLAN TO BOTH
15 IMPROVE THE LEVEL OF MANDATED COMPLIANCE AT SOLID WASTE
16 FACILITIES IN CALIFORNIA WHILE ENHANCING BOARD
17 DIVERSION AND MARKETING GOALS.
18 WE ALSO DEVELOPED FOR OUR PURPOSES A
19 WORKING DEFINITION OF WHAT IS FACILITY COMPLIANCE JUST
20 TO USE AS A BACKDROP FOR OUR WORK, AND WE DEFINED IT
21 AS, AND IT'S OBVIOUSLY NOT A REGULATORY DEFINITION,
22 IMPROVING THE RATE OF COMPLIANCE WITH STATE MINIMUM
23 STANDARDS, PERMIT TERMS AND CONDITIONS, AND ANY OTHER
24 STATUTORY OR REGULATORY REQUIREMENTS WHICH GOVERN SOLID
25 WASTE FACILITIES.



1 WE ALSO EXTENSIVELY DEBATED WHY IT IS
2 IMPORTANT TO IMPROVE THE FACILITY COMPLIANCE AT SOLID
3 WASTE FACILITIES IN THE STATE OF CALIFORNIA AND CAME UP
4 WITH THESE BASIC CONCEPTS. NO. 1, IT WAS ONE OF THE
5 FOUR PRIORITY AREAS IDENTIFIED BY THE BOARD IN THE 1997
6 STRATEGIC PLAN. NO. 2, IT FITS DIRECTLY IN WITH THE
7 BOARD'S -- ONE OF THE BOARD'S PRIMARY MISSIONS OF
8 PROTECTION OF PUBLIC HEALTH, SAFETY, AND THE
9 ENVIRONMENT; AND, THIRDLY, WHILE WE STRONGLY FELT AS A
10 TEAM THAT THE FACILITY COMPLIANCE DOES SUPPORT LOCAL
11 GOVERNMENTS IN ACHIEVING DIVERSION MANDATES, AS WE
12 DISCUSSED, WE FEEL THAT WELL-OPERATED FACILITIES WHICH
13 ARE IN COMPLIANCE WITH STATE STANDARDS ARE MORE LIKELY
14 TO BE GOOD NEIGHBORS AND MORE LIKELY TO SUCCEED IN THE
15 LONG TERM AS BUSINESSES AND DIVERSION FACILITIES. SO
16 WE FELT THAT THE TWO GOALS WERE VERY STRONGLY MUTUALLY
17 SUPPORTIVE MEETING COMPLIANCE AND DIVERSION.
18 BASED ON THAT INITIAL DISCUSSION, WE
19 DETERMINED THAT WE WANTED TO ACHIEVE THROUGH OUR PLAN
20 AND OUR WORK MEASURABLE IMPROVEMENTS IN THE PROTECTION
21 OF THE PUBLIC HEALTH, SAFETY, AND THE ENVIRONMENT, IN
22 THE WASTE MANAGEMENT INFRASTRUCTURE, MEANING THE
23 FACILITY AND SYSTEMS FOR HANDLING SOLID WASTE. WE
24 WANTED TO ACHIEVE MEASURABLE IMPROVEMENT IN THE
25 COLLECTION, PROCESSING, AND ANALYSIS OF DATA ON THESE



1 FACILITIES THAT IS MAINTAINED BY THE BOARD, MEASURABLE
2 IMPROVEMENTS IN LEA PERFORMANCE IN OVERSEEING THESE
3 FACILITIES, AND MEASURABLE IMPROVEMENT IN THE
4 IDENTIFICATION OF FACILITIES AND THE PROMOTION OF
5 MARKET CAPACITY TO SUPPORT DIVERSION AND MARKETING
6 GOALS.

7 FROM THESE INITIAL GOALS, WE BEGAN THE
8 PROCESS OF MEETING, DEBATING, AND FOCUSING, AND
9 ULTIMATELY ARRIVING AT THE FIVE TARGETS THAT WE WILL
10 PRESENT TO YOU TODAY. REINHARD HOHLWEIN WILL BEGIN
11 WITH THE FIRST OF THOSE TARGETS.

12 MR. HOHLWEIN: GOOD MORNING, BOARD MEMBERS AND
13 EXECUTIVE STAFF. I'D LIKE TO TALK ABOUT THE FIVE
14 TARGETS THAT THE TEAM SELECTED. FIRST TARGET IS TO
15 DEVELOP AND IMPLEMENT ENFORCEMENT STRATEGIES FOR
16 BRINGING ILLEGAL SOLID WASTE FACILITIES UNDER PERMIT
17 AND INTO COMPLIANCE. WE DON'T KNOW HOW MANY OF THOSE
18 THERE ARE. THERE'RE NOT THAT MANY, BUT THEIR UNIVERSE
19 IS UNKNOWN.

20 THE SECOND IS TO CORRECT LONG-TERM
21 VIOLATIONS AT FACILITIES THAT ARE CURRENTLY ON THE
22 INVENTORY. WE'RE DOING VERY WELL WITH THAT SO FAR.
23 THIRD IS TO REVISE ALL THE PRE-1990
24 PERMITS THAT WE KNOW ARE OUT OF DATE OR TAKE ACTION FOR
25 FAILURE TO UPDATE.



1 THE FOURTH TARGET WOULD BE TO PROMOTE THE
2 STRATEGIES THAT WE NEED TO IMPROVE DIVERSION FACILITY
3 SITING AND INFRASTRUCTURE AS WELL AS PERMITTING AND
4 COMPLIANCE ISSUES ASSOCIATED WITH THOSE DIVERSION
5 FACILITIES. AND SOMETIMES THOSE ARE IN CONFLICT.
6 AND THE FIFTH ONE IS TO WORK ON CEQA AND
7 USE THAT IN A CREATIVE MANNER TO TRY AND MAKE THAT LESS
8 OF A HINDRANCE IN TERMS OF THE PERMITTING PROCESS AND
9 TO NOT HAVE IT BE PROBLEMATIC AND USE IT UP FRONT.
10 HOW ARE WE GOING TO KNOW THAT THE TARGETS
11 THAT WE SELECTED ARE BEING IMPLEMENTED? WE'RE GOING TO
12 GO THROUGH THESE OUTCOME MEASURES NOW. WE'RE GOING TO
13 COMPLETE ENFORCEMENT CASE STUDIES, THE ILLEGAL
14 OPERATIONS, IN CONCERT WITH THE LEA'S THAT WANT TO WORK
15 WITH US ON THIS. AND WE'RE GOING TO DETERMINE WHAT
16 DOES AND WHAT DOES NOT WORK AND WHAT KIND OF ADDITIONAL
17 ENFORCEMENT TOOLS ARE NEEDED. AND IT'S TEAM'S OPINION
18 THAT THERE ARE ADDITIONAL TOOLS NEEDED BECAUSE WE'VE
19 HAD SOME PROBLEMS.
20 WE'RE GOING TO REMOVE THE FACILITIES FROM
21 THE INVENTORY WHEN THEY GAIN COMPLIANCE. WE'LL
22 DEVELOP, WITH LEA'S, ENFORCEMENT ASSISTANCE PLANS FOR
23 THOSE FACILITIES. THE GOOD NEWS THERE IS THAT MOST OF
24 THOSE FACILITIES ALREADY HAVE A COMPLIANCE AGREEMENT.
25 THE BAD NEWS IS, I SUPPOSE, THAT SOME OF THOSE HAVE TO



1 DO WITH GAS VIOLATIONS, AND THOSE ARE LONG-TERM,
2 CHRONIC PROBLEMS NOT EASILY REMEDIATED. AND WE'RE
3 GOING TO FOCUS ON THOSE LONG-TERM VIOLATIONS BECAUSE
4 THAT'S IMPORTANT. THE SHORT-TERM ONES ARE GOING TO
5 COME AND GO, AND WE'RE JUST GOING TO HAVE TO ACCEPT
6 THAT OCCASIONALLY SOMEBODY IS GOING TO GET BACK ON THE
7 INVENTORY.
8 THIRD, AND THIS IS IMPORTANT, WE'RE GOING
9 TO REVISE THE OUTDATED PERMITS. JOHN'S EXCITED ABOUT
10 THIS. WE'RE GOING TO FOCUS OUR ASSISTANCE AND
11 ENFORCEMENT EFFORTS ON THOSE PERMITS THAT ARE SEVERELY
12 OUT OF DATE AND HAVE HAD A LOT OF PROBLEMS COMING IN
13 INTO PERMIT FOR VARIOUS REASONS. AND A LOT OF THOSE
14 HAVE TO DO WITH INSTITUTIONAL BARRIERS, NOT HAVING
15 ENOUGH CLOSURE MONEY, NOT HAVING ENOUGH LOCAL MONEY.
16 50 THE BOARD IS GOING TO LOOK AT THAT.
17 FOURTH, WE'RE GOING TO CONDUCT FOUR WORK
18 GROUPS FOCUSING ON INTEGRATING THE PERMITTING AND
19 DIVERSION FUNCTIONS, INCLUDING IDENTIFYING ANY
20 INSTITUTIONAL BARRIERS THAT HAVE PREVENTED THOSE TWO
21 GROUPS FROM TALKING AND COMMUNICATING WELL, AND WE'LL
22 PURSUE SOLUTIONS AS WE FIGURE THOSE OUT.
23 AND FINALLY, WE'RE GOING TO CLARIFY THE
24 ROLES REGARDING CEQA FOR BOTH THE LOCAL AGENCIES AND
25 FOR OURSELVES IF THERE'S ANY CONFUSION STILL AT THIS



1 POINT.
2 ALL TARGETS WILL BE PURSUED WITH P&E AS
3 LEAD STAFF. OTHER AFFECTED BOARD PROGRAMS INCLUDE THE
4 LEGAL OFFICE, OF COURSE, WHO WILL HELP DRAFT THE
5 STATUTES AND REGS THAT WE ANTICIPATE DEVELOPING TO HELP
6 US PURSUE THE ENFORCEMENT ACTIONS THAT WE ARE GOING TO
7 BE USING AGAINST THE ILLEGAL SITES. THE LEGISLATIVE
8 OFFICE TO DEVELOP AND PROMOTE LEGISLATION THAT MAY OR
9 MAY NOT COME OUT OF THIS, BUT IT'S CONCEIVABLE. THE
10 PUBLIC AFFAIRS OFFICE IS GOING TO HELP DISSEMINATE
11 INFORMATION ON ALL OUR SUCCESSES AND GOING TO PAINT A
12 PICTURE ABOUT ALL THE BAD ACTORS THAT WE FIND. WE NEED
13 THAT HELP, WE REALLY DO.
14 AND THEN THE DIVERSION, PLANNING AND
15 LOCAL ASSISTANCE AND WASTE PREVENTION AND MARKET
16 DEVELOPMENT DIVISIONS ARE LOOKING FORWARD TO
17 COLLABORATING WITH P&E, I'M SURE, ON ELIMINATING THESE
18 INSTITUTIONAL BARRIERS BETWEEN FOLLOWING THE DIVERSION
19 GOALS AND THE PURSUIT OF APPROPRIATE ENFORCEMENT AT
20 THOSE DIVERSION FACILITIES. SOMETIMES, AGAIN, THOSE
21 ARE IN CONFLICT.
22 AND FINALLY, IMB, OUR GOOD FRIENDS, ARE
23 GOING TO PROVIDE AND MAINTAIN THE INFORMATION SYSTEMS
24 THAT WE NEED TO KEEP TRACK OF ALL THIS GOOD STUFF.
25 (SOUND EFFECTS.)



1 MR. HOHLWEIN: THIS WOULD BE A GOOD TIME TO
2 POINT OUT THAT WE'VE HAD A LOT OF SUCCESS AND MOST OF
3 THE OPERATORS OUT THERE DO COOPERATE, BUT THERE ARE A
4 FEW THAT DON'T COOPERATE. SO LOOKING AROUND FOR SOME
5 OF THE TOOLS I THOUGHT I WOULD FIND IN THE DIVISION, I
6 WENT BACK TO THE ENFORCEMENT BRANCH AND I FOUND THIS
7 TOOL (DEMONSTRATING), AND IT'S KIND OF NEW. YOU KNOW,
8 IT DOESN'T EVEN GET ANY USE. IT HASN'T BEEN USED VERY
9 MUCH. IT'S KIND OF SHORT, DOESN'T HAVE MUCH REACH. WE
10 NEVER REALLY GOT VERY FAR. THE BOARD HASN'T DONE VERY
11 MUCH DIRECT ENFORCEMENT.
12 SO I WENT DOWN TO PERMITS, AND THE
13 PERMITS BRANCH, THIS IS A BETTER MODEL. I LIKE THIS
14 ONE (DEMONSTRATING). IT'S GOT A LITTLE BIT OF KICK TO
15 IT, AND IT'S BEEN FAIRLY SUCCESSFUL. WE STILL AREN'T
16 QUITE GETTING THE REACH THAT WE NEED TO GET TO THESE
17 ILLEGAL SITES, SO I WENT DOWN TO CLOSURE AND GOT THIS
18 MODEL (DEMONSTRATING), BUT THIS IS THE POST-1220 MODEL
19 AND DOESN'T QUITE HAVE THE REACH THAT I WAS LOOKING
20 FOR. SO I WENT DOWN TO LEA EVALUATIONS AND FOUND
21 SOMETHING THAT I THINK WE'RE ALL GOING TO NEED TRAINING
22 TO USE (DEMONSTRATING), AND HOPEFULLY THIS WILL HAVE
23 THE REACH THAT WE'LL NEED TO -- OF COURSE, IT'S TOO
24 VOLATILE TO USE IN HERE, BUT WE'LL BE LOOKING AT
25 WHATEVER TOOLS WE NEED TO TRY AND GET THESE GUYS INTO



1 COMPLIANCE BECAUSE WE'VE BEEN SHORT ON TOOLS. THAT
2 BEING THE POINT.
3 SO TARGET 1, WE'RE GOING TO TARGET THESE
4 ILLEGAL SOLID WASTE OPERATIONS. THIS IS ONE OF MY
5 FAVORITE SITES IN SAN FRANCISCO. WE'RE GOING TO
6 IDENTIFY FOUR CASE STUDIES ACROSS THE STATE IN
7 PARTNERSHIP WITH LEA'S THAT WANT TO WORK WITH US.
8 WE'RE GOING TO PURSUE AGGRESSIVE USE OF THOSE EXISTING
9 ENFORCEMENT TOOLS THAT WE HAVE, BUT A LOT OF THESE
10 CASES ARE ALREADY PRETTY RIPE AND THEY HAVEN'T BEEN
11 ABLE TO BE RESOLVED, AND WE'LL DOCUMENT THOSE RESULTS.
12 WE'LL DISSEMINATE THAT INFORMATION TO THE OPERATORS,
13 LEA'S, AND TO THE BOARD. AND THEN WE'LL DEVELOP NEW
14 TOOLS AND STRATEGIES AS NEEDED TO TRY AND FIGURE OUT
15 HOW TO FINALLY BRING THESE GUYS UNDER COMPLIANCE OR PUT
16 THEM OUT OF BUSINESS.
17 THE TIME LINE FOR THIS WOULD BE TO
18 IDENTIFY THE CASE STUDIES IN THE NEXT 30 DAYS. NEXT
19 THREE TO FOUR MONTHS WE'LL BE WORKING WITH THE LEA'S
20 THAT WANT TO WORK WITH US ON THIS AND SEEING WHAT KIND
21 OF RESOLUTION WE CAN COME TO ON THESE CASES. AND
22 AGAIN, SOME OF THESE ARE GOING TO COME UP SHORT BECAUSE
23 WE KNOW WE DON'T HAVE THE TOOLS. WE'RE GOING TO
24 DOCUMENT THE RESULTS IN THE NEXT 30 DAYS AND THEN SPEND
25 THE NEXT 12 MONTHS DISSEMINATING THAT INFORMATION AND



1 DEVELOPING THE REMEDIES THAT WE MAY BE NEEDING.
2 TARGET NO. 2 IS LONG-TERM VIOLATIONS OF
3 STATE MINIMUM STANDARDS, THOSE FACILITIES THAT HAVE
4 BEEN ON THE INVENTORY OF STATE MINIMUM STANDARDS OR
5 FACILITIES THAT ARE IN VIOLATION OF STATE MINIMUM
6 STANDARDS. IF YOU LOOK AT THAT CHART, I DON'T KNOW IF
7 YOU CAN READ IT ON THE SMALL SCREEN, THE SHORT-TERM
8 PROBLEMS ARE BEING REDUCED IN NUMBER, BUT THE
9 LONG-TERM, CHRONIC VIOLATIONS ARE MORE DIFFICULT TO FIX
10 MOSTLY BECAUSE OF THE GAS ISSUE. SO WE'LL BE WORKING
11 ON GETTING RID OF THOSE AS BEST WE CAN.
12 SO AFTER WE DETERMINE THE STATUS OF THOSE
13 FACILITIES WHICH -- MOST OF WHICH WE KNOW ALREADY, THAT
14 SHOULDN'T TAKE LONG, WE'LL DEVELOP WITH THE LEA'S AND
15 IMPLEMENT ENFORCEMENT ASSISTANCE PLANS. WE WILL REMOVE
16 THE FACILITIES AS THEY COME INTO COMPLIANCE FROM THE
17 INVENTORY. WE'LL DISSEMINATE THE TRAINING TO LEA'S AND
18 OPERATORS ABOUT HOW TO KEEP FACILITIES OFF OF THE
19 INVENTORY BECAUSE WE DON'T WANT THEM TO GO ON. THEY
20 HAVE FIVE MONTHS NOT TO GET ON THERE, SO THAT IS A
21 REASONABLE TIME TO CORRECT. AND THEN WE'LL DEVELOP
22 POLICIES INTERNALLY TO MINIMIZE FUTURE ADDITIONS AS
23 NEEDED BECAUSE WE WANT TO TRY AND KEEP THOSE FOLKS OFF.
24 THE TIME LINE FOR THIS IS TO AGAIN LOOK
25 AT FACILITY STATUS OF THESE -- STATUS OF THESE



1 FACILITIES. THAT SHOULD TAKE A SHORT TIME BECAUSE WE
2 ALREADY KNOW WHAT THEY ARE. WE WANT TO ASSESS THAT
3 WITH THE LEA'S, OF COURSE, AND THEN WE'RE GOING TO
4 DEVELOP PLANS, HOPEFULLY GAIN COMPLIANCE, AND
5 DISSEMINATE THE INFORMATION AS WE GET IT. AND DURING
6 THE FINAL SIX MONTHS OF THE PLAN, WE'RE GOING TO WORK
7 ON THE INTERNAL POLICIES TO MINIMIZE FUTURE ADDITIONS
8 TO THE INVENTORY.

9 NOW WE'D LIKE COME TO TARGET 3.

10 (SOUND EFFECTS.)

11 MR. HOHLWEIN: TO GIVE YOU SOME HISTORICAL
12 PERSPECTIVE ON HOW LONG THESE FACILITIES HAVE BEEN OUT
13 OF COMPLIANCE.

14 MR. CLAY: THANKS, REINHARD. NOW THAT YOU ARE
15 ALL SORT OF AWAKE AND PAYING ATTENTION, AND BEFORE YOU
16 BREAK OUT THE DANCING SHOES AND THE BELL BOTTOM PANTS,
17 THE IDEA BEHIND THIS VIDEO CLIP WAS TO JUST SHOW HOW
18 OLD SOME OF THESE PERMITS ARE, '78, '79, AND '80, AND
19 THAT LIKE DISCO, THEY'RE COMING BACK INTO STYLE, SO TO
20 SPEAK.

21 THE TARGET 3 WILL BE TO UPDATE ALL
22 PRE-1990 FACILITY PERMITS. AND LOOKING AT THE PERMITS
23 THAT NEED TO BE UPDATED THAT ARE OLDER THAN 1992, THERE
24 ARE A TOTAL OF 13 PERMITS BETWEEN THE YEARS OF 1990 AND
25 '92 THAT ARE IN NEED OF BEING UPDATED; 27 BETWEEN THE



1 YEARS OF '81 AND '90; AND THEN WELL OVER HALF, 47, THAT
2 ARE IN THE YEARS OF '78 OR '79 AND 1980. AS YOU CAN
3 SEE FROM THE LIST OF FACILITIES THAT ARE SCROLLING BY,
4 IT'S FAIRLY EXTENSIVE.
5 THUS, THE FIRST COURSE OF ACTION TO
6 ACCOMPLISH THIS TARGET WILL BE TO IDENTIFY ALL PERMITS
7 THAT REQUIRE REVISION AND PRIORITIZE THE LIST. FOR
8 EXAMPLE, WE'LL BE TAKING A HARD LOOK AT THE PRE-'81
9 PERMITS AND TRYING TO BRING THESE FACILITIES INTO
10 COMPLIANCE FIRST. NEXT WE'LL BE DEVELOPING PLANS FOR
11 UPDATING ALL PERMITS IN COLLABORATION WITH THE LEA'S,
12 OPERATORS, AND OTHER CONCERNED AGENCIES.
13 MOVING ON FROM THERE, WE'LL BE
14 IDENTIFYING INSTITUTIONAL BARRIERS AND DEVELOPING
15 SOLUTIONS TO THESE BARRIERS. EXAMPLES COULD BE LACK OF
16 FUNDING, THE POSSIBILITY OF CREATING ALTERNATIVE
17 STANDARDS FOR RURALS, LOOKING AT LANDOWNERSHIP ISSUES,
18 AND CEQA.
19 NEXT WE'LL BE IMPLEMENTING THESE
20 SOLUTIONS THAT WE'VE DEVELOPED, WHICH COULD TAKE UP TO
21 TWO YEARS, DEPENDING ON IF WE HAVE TO GO TO THE
22 LEGISLATURE FOR STATUTORY CHANGES.
23 FINALLY, WE'LL BE DISSEMINATING THE
24 INFORMATION LEARNED THROUGH THIS PROCESS THROUGH TOOLS
25 AND TRAINING TO COME TO A BETTER UNDERSTANDING OF THE



1 PERMIT PROCESS.
2 THE TIME LINE FOR THIS TASK WILL BE AS
3 FOLLOWS: DURING THE FIRST 30 DAYS, WE'LL BE
4 IDENTIFYING ALL PERMITS THAT NEED TO BE UPDATED.
5 MOVING ON FROM THERE, THE NEXT 90 DAYS WE'LL BE
6 DEVELOPING PLANS AND CONCURRENTLY IDENTIFYING
7 INSTITUTIONAL BARRIERS THAT HAVE KEPT THESE FACILITIES
8 OUT OF COMPLIANCE. MOVING ON, AT MONTH FOUR WE'LL BE
9 IMPLEMENTING SOLUTIONS AND CONCURRENTLY DISSEMINATING
10 INFORMATION LEARNED ON AN ONGOING BASIS.
11 OUR NEXT TARGET, TARGET 4, IS THE IDEA TO
12 INTEGRATE DIVERSION GOALS WITH FACILITY COMPLIANCE.
13 THE IDEA HERE WAS TO PROMOTE COORDINATION BETWEEN
14 AGENCIES OVERSEEING DIVERSION GOALS IMPLEMENTATION AND
15 FACILITY COMPLIANCE TO BETTER ENSURE THE PROTECTION OF
16 PUBLIC HEALTH AND SAFETY WHILE MAXIMIZING DIVERSION
17 EFFORTS.
18 OUR FIRST TASK WILL BE TO CONDUCT FOUR
19 WORK GROUP MEETINGS TO HELP PROVIDE INTEGRATION OF
20 FACILITY COMPLIANCE AND DIVERSION MANDATES. THIS
21 PROCESS WILL BE INTERNAL AS WELL AS EXTERNAL BECAUSE,
22 AS MANY OF YOU KNOW HERE AT THE BOARD, IT'S SOMETIMES
23 DIFFICULT FOR ONE DIVISION TO KNOW WHAT ANOTHER
24 DIVISION IS DOING. THE IDEA IS TO SORT OF FOSTER
25 BETTER COMMUNICATIONS BETWEEN INTERESTED PARTIES.



1. NEXT WE'LL BE DISSEMINATING THE
2 INFORMATION LEARNED THROUGH THIS PROCESS TO THE
3 INTERESTED PARTIES VIA TRAINING, TECHNICAL ASSISTANCE,
4 AND ADVISORIES.
5 FINALLY, WE'LL BE MEASURING THE
6 EFFECTIVENESS OF THE WORK GROUP MEETINGS, TRAINING, AND
7 ASSISTANCE EFFORTS ON A CONTINUAL BASIS. WE'LL
8 BASICALLY TAKE A LOOK AT WHAT WE'VE LEARNED, SEE HOW
9 EFFECTIVE THE PROCESS IS, AND, IF WE NEED TO MAKE
10 CHANGES, MAKE CHANGES AND THEN MOVE ON.
11 THE TIME LINE FOR THIS IS AS FOLLOWS:
12 DURING THE FIRST SIX MONTHS, WE'LL BE CONDUCTING THE
13 WORK GROUP MEETINGS, THEN BUILDING UPON THAT, ON AN
14 ONGOING BASIS WE'LL BE DISSEMINATING THE INFORMATION
15 LEARNED, AND MEASURING THE EFFECTIVENESS OF THE GOAL.
16 TARGET 5 IS TO PROMOTE THE USE OF CEQA
17 EARLY IN PROJECT CREATION. THE IDEA HERE IS USING CEQA
18 IN CONJUNCTION WITH WELL-PLANNED SOLID WASTE PROJECTS
19 TO CREATE GOOD PERMITS. OUR FIRST STEP WILL BE TO
20 CLARIFY THE COMPLEMENTARY ROLES OF THE BOARD, LEA'S,
21 SRRE COORDINATORS, AND OTHER PLANNING AGENCIES. THIS
22 AS WELL WILL BE AN INTERNAL AND EXTERNAL PROCESS.
23 NEXT WE'LL BE PROVIDING TRAINING ON THE
24 ROLES AND RESPONSIBILITIES TO THE ABOVE-MENTIONED
25 GROUPS; I.E., MAKING PEOPLE AWARE OF WHAT IT MEANS TO



1 BE A LEAD AGENCY, A RESPONSIBLE AGENCY, A CONCERNED
2 AGENCY. THE IDEA IS TO TRY AND GET THE FRONT-END HELP
3 DONE EARLY ON CEQA VERSUS HAVING TO COME IN AT THE BACK
4 END WHERE IT'S MORE OF A HINDRANCE TO A PROJECT THAN A
5 HELP.

6 FINALLY, WE'LL BE DISSEMINATING THE
7 INFORMATION LEARNED IN THIS PROCESS. WE SORT OF HAD A
8 MANTRA THAT WE USED DURING OUR TEAM WORK GROUP MEETINGS
9 OF GOOD PROJECTS LEAD TO GOOD PLANS LEAD TO GOOD
10 PERMITS.

11 OUR TIME LINE IS AS FOLLOWS FOR THIS:
12 DURING THE FIRST 90 DAYS, WE'LL BE DOING -- CLARIFYING
13 THE ROLES OF THE INTERESTED PARTIES, THEN BUILDING ON
14 THAT, WE'LL BE PROVIDING TRAINING AND DISSEMINATING THE
15 INFORMATION ON AN ONGOING BASIS. AT THIS POINT I'D
16 LIKE TO TURN IT BACK OVER TO DOROTHY TO KIND OF TALK TO
17 YOU A LITTLE BIT ABOUT THE IMPLEMENTATION PHASE.

18 MS. RICE: THE IMPLEMENTATION PHASE IS FAIRLY
19 STRAIGHTFORWARD. WE PLAN TO IMPLEMENT THE PLAN. AT
20 THIS POINT WE ARE, I WOULD DESCRIBE, IN AN EARLY
21 IMPLEMENTATION PHASE IN THE SENSE THAT WE ARE
22 DEVELOPING WORK PLANS FOR THE FIVE TARGETS THAT YOU'VE
23 SEEN THIS MORNING AND LOOKING AT STAFF ASSIGNMENTS FOR
24 THOSE FIVE TARGETS. WE PLAN TO BEGIN ACTUAL WORK IN
25 EARNEST AROUND JUNE 1, NEXT WEEK, AND FROM THAT POINT



1 FORWARD TO PROVIDE MONTHLY STATUS REPORTS ON OUR
2 PROGRESS AS REQUESTED BY THE EXECUTIVE OFFICE, AND MOST
3 IMPORTANTLY PERHAPS TO TRACK ACHIEVEMENT OF THOSE
4 TARGETS IN A DEMONSTRABLE, MEASURABLE WAY. AND SOME OF
5 THEM, AS YOU SAW, ARE VERY AMENABLE TO THAT IN TERMS OF
6 NUMBERS OF PERMITS AND ANY PROGRESS THAT'S ACHIEVED AND
7 SPECIFIC ACTIONS AT THE ILLEGAL SITES, ETC.
8 WE ARE ALSO ACTIVELY SOLICITING INPUT ON
9 THE PLAN AT THIS TIME. IT IS A WORKING DOCUMENT, AS I
10 THINK ALL OF THESE ARE. THE IMPORTANT THING IS THAT
11 THE GOALS THAT WE'VE SET OUT, GIVEN THE BROAD DIRECTION
12 FROM THE BOARD, HOW WE GET THERE IS VERY MUCH A MATTER
13 OF LEARNING AS WE GO ALONG. THUS FAR, WE HAVE
14 DISCUSSED THE PLAN AT THE LEA ROUND TABLES WHICH WERE
15 RECENTLY HELD IN MAY, AS WELL AS AT LAST MONTH'S CCDEH
16 MEETING. ALSO HELD A MEETING WITH SOME INDUSTRY
17 STAKEHOLDERS TO DISCUSS THE PLAN AND GET THEIR FEEDBACK
18 AND HAVE CORRESPONDED WITH A NUMBER OF LOCAL GOVERNMENT
19 AND ENVIRONMENTAL GROUPS TO OBTAIN THEIR FEEDBACK, AND
20 I'M ALSO HOPING TO MEET WITH THE LOCAL GOVERNMENT
21 TECHNICAL ADVISORY COMMITTEE THIS AFTERNOON TO DISCUSS
22 THE PLAN. SO THAT'S BASICALLY WHERE WE'RE AT IN TERMS
23 OF IMPLEMENTATION.
24 THIS IS OUR TEAM. A FEW MEMBERS WERE
25 MISSING THAT DAY. AND I THINK CINDY JONES WAS TAKING



1 THE PICTURE, BUT THAT CONCLUDES OUR PRESENTATION. AND

2 WE THANK YOU FOR YOUR ATTENTION.

3 (APPLAUSE.)

4 CHAIRMAN PENNINGTON: VERY GOOD. QUESTIONS?

5 MR. CHESBRO.

6 BOARD MEMBER CHESBRO: AT THE RISK OF SOUNDING

7 A FAMILIAR THEME, ON THIS QUESTION OF REVIEWING PERMITS

8 AND UPDATING PERMITS, I DON'T SEE IN THIS PRESENTATION

9 THE LINKAGE BETWEEN THAT AND COMPLIANCE AND HOW

10 UPDATING THE PERMITS MOVES US TOWARDS WHAT I THINK IS

11 THE ULTIMATE GOAL, WHICH IS COMPLIANCE WITH STATE

12 STANDARDS. AND THAT IS, AS YOU KNOW, FELLOW BOARD

13 MEMBERS, A THEME WITH ME AND CONTINUES TO BE A QUESTION

14 MARK IN TERMS OF HOW THIS WILL WORK.

15 MS. RICE: JUST BRIEFLY, IN TERMS OF UPDATING

16 THE PERMITS, WE CERTAINLY INTEND TO WORK WITH THE LEA'S

17 AND THE OPERATORS ON UPDATING THE PERMITS IN A MANNER

18 THAT MEETS ALL BOARD POLICIES AND REQUIREMENTS FOR

19 UPDATING PERMITS. SO WE ARE NOT SUGGESTING, YOU KNOW,

20 PROVIDING ANY SHORTCUTS OR NOT FOLLOWING THE PROCEDURES

21 THAT YOU HAVE LAID OUT FOR US FOR THOSE.

22 IN TERMS OF COMPLIANCE, WE HAD LOOKED AT

23 THE INVENTORY TARGET AS BEING THE ONE MORE DIRECTLY

24 RELATED TO ACHIEVING STATE MINIMUM STANDARD COMPLIANCE

25 AT SOLID WASTE FACILITIES, AS ANY FACILITY THAT IS OUT



1 OF COMPLIANCE FOR A GIVEN PERIOD OF TIME DOES, IN FACT,
2 GO ON THE INVENTORY. WE COUPLED THAT WITH THE SECOND
3 PART OF THAT TARGET, WHICH WAS DESCRIBED AS STRATEGIES
4 TO KEEP FOLKS OFF THE INVENTORY. BY THAT WE DID NOT
5 MEAN A PAPER EXERCISE TO JUST KEEP YOU FROM GETTING
6 LISTED, BUT RATHER THAN TRYING TO ADDRESS THE
7 UNDERLYING REASONS WHY FACILITIES POP ON AND OFF THE
8 INVENTORY. IT MAY BE A LACK OF EXPERTISE AND TRAINING
9 AVAILABLE TO A RURAL OPERATOR, WHATEVER THE ISSUE MAY
10 BE. SO THE IDEA WAS TO TRY TO CORRECT COMPLIANCE
11 ISSUES, NOT SIMPLY COSMETICALLY REMOVE PEOPLE FROM THE
12 INVENTORY.

13 MS. TOBIAS: MR. CHESBRO, COULD I ANSWER THAT?
14 I THINK THE OTHER THING WE WERE LOOKING AT ON THAT
15 PARTICULAR ITEM -- AND, DOROTHY, FEEL FREE CORRECT ME
16 IF I'M OFF ON THIS -- BUT I THINK WE WERE ALSO
17 LOOKING -- IT'S REVISE THE 1990 PERMITS OR TAKE ACTION
18 FOR FAILURE TO UPDATE. AND I THINK THE ISSUE THAT
19 WE'RE LOOKING AT WITH THESE PERMITS IS SOME OF THEM
20 HAVE BUILT-IN, INHERENT BARRIERS THAT MAY PREVENT THEM
21 FROM EVER UPDATING THEIR PERMIT. SOME HAVE LONG-TERM
22 CEQA PROBLEMS, SOME HAVE, YOU KNOW, DIFFERENT KINDS OF
23 ISSUES.
24 AND I THINK WHAT WE FELT WAS THAT WE
25 NEEDED TO LOOK AT THESE, NOT ONLY IN JUST A, YOU KNOW,



1 CAN YOU COME IN AND GET UPDATED, BUT IS THERE A REASON
2 THAT THE LEA IS SAYING THAT THE PERMITS WILL BE UPDATED
3 AT SOME POINT, BUT IN REALITY THERE'S REALLY NO WAY TO
4 BRING THE FACILITY INTO COMPLIANCE. AND WE NEED TO
5 KNOW THAT AT THIS POINT. WE'RE FAR ENOUGH ALONG THAT
6 IF, IN FACT, WE FIND OUT THAT THERE IS REALLY NO WAY TO
7 BRING IT IN OR THAT WE CAN IDENTIFY THAT THE ENTITY
8 DOES NOT WANT TO SPEND THE MONEY THAT'S NECESSARY
9 BECAUSE IT'S A LARGE AMOUNT OF MONEY TO BRING THAT
10 FACILITY INTO COMPLIANCE, THEN WE WANT TO MOVE TO THE
11 NEXT STEP OF ENFORCEMENT, NOT JUST LET IT SIT THERE AND
12 SAY SOMEDAY WE'LL GET THESE PERMITS UP TO DATE.

13 BOARD MEMBER CHESBRO: I'M NOT QUESTIONING --
14 THE ASSUMPTION IN THE QUESTION IS NOT THAT PERMIT
15 UPDATING SHOULD BE THE ONLY TOOL TO ACHIEVE COMPLIANCE,
16 BUT THERE IS A QUESTION OF IS IT A TOOL TO ACHIEVE
17 COMPLIANCE OR WHAT IS THE FUNDAMENTAL OBJECTIVE OF
18 PERMIT REVIEW AND UPDATING? IS IT SIMPLY TO UPDATE IT
19 TO REFLECT CONDITIONS ON THE SITE, OR IS IT TO MOVE THE
20 FACILITY TOWARDS COMPLIANCE? AND THAT'S A PRETTY
21 FUNDAMENTAL QUESTION THAT CONTINUES TO, I THINK, REMAIN
22 UNANSWERED, AT LEAST -- I BRING IT UP ON A REGULAR
23 BASIS IN RELATION TO PERMITS THAT COME BEFORE US. I
24 THINK IT'S A VERY FUNDAMENTAL QUESTION THAT I DON'T SEE
25 CLEARLY ANSWERED HERE.



1 MS. RICE: IT MAY NOT BE CLEAR, BUT THE
2 PURPOSE OF ALL OF THESE TARGETS WORKING TOGETHER IS TO
3 ACHIEVE THE OVERALL GOAL OF IMPROVING FACILITY
4 COMPLIANCE, WHICH, I BELIEVE, IS WHAT YOU'RE
5 DESCRIBING. SO WE ARE SEEKING TO APPROACH THAT THROUGH
6 A NUMBER OF AVENUES, ILLEGAL OPERATIONS, WHAT TO DO
7 ABOUT THOSE; PERMITS THAT ARE WOEFULLY OUT OF DATE,
8 WHAT TO DO ABOUT THOSE; MINIMUM STANDARD VIOLATIONS
9 THAT EXIST OVER EXTENDED PERIODS OF TIME, WHAT TO DO
10 ABOUT THOSE; AND HOW TO USE ENHANCED COMMUNICATION
11 REGARDING THE DIVERSION MANDATES OR CEQA TO IMPROVE THE
12 PROCESS ALONG THE WAY.
13 SO WE WERE LOOKING AT THE FIVE AS A
14 NUMBER OF DIFFERENT WAYS TO ADDRESS THE OVERALL GOAL OF
15 IMPROVING FACILITY COMPLIANCE, BUT THAT GOAL IS THE
16 BEDROCK FOR THE WHOLE EFFORT.
17 BOARD MEMBER CHESBRO: WELL, I JUST CONTINUE
18 TO LOOK FOR WAYS TO INTEGRATE THOSE TWO NEEDS, THE NEED
19 TO BOTH UPDATE THE PERMIT FROM THE STANDPOINT OF WHAT I
20 THINK IS CURRENTLY GOING ON, WHICH IS TO REFLECT
21 CHANGES IN CONDITIONS AND ACTIVITIES, BUT ALSO THAT --
22 I CAN'T, AS YOU KNOW, VOTE ON A PERMIT THAT COMES
23 BEFORE THE BOARD IN A WAY THAT'S DIVORCED FROM THE
24 QUESTION OF HOW WAS IT PROCEEDING TOWARDS COMPLIANCE.
25 THOSE TWO ARE INTERTWINED AND ABSOLUTELY CONNECTED IN



1 MY MIND.

2 MS. TOBIAS: I REALLY DO THINK THAT'S THE
3 POINT OF ALL THIS, JUST TO SECOND WHAT DOROTHY SAYS.
4 NOT ONLY ARE THE GOALS AND THE TARGETS ALL
5 INTERCONNECTED IN THAT SENSE, BUT THE POINT REALLY IS
6 TO SAY, YOU KNOW, IF YOU CAN'T COMPLY, PERHAPS YOU
7 SHOULD BE CLOSING YOUR FACILITY, AND THEN ALSO TO LOOK
8 AT WHAT COMPLIANCE MEANS. DOES THAT MEAN RATCHETING
9 UP, WHICH IS WHAT I THINK YOU ARE REFERRING TO. DOES
10 IT MEAN THAT A SUBSTANTIAL AMOUNT OF MONEY WOULD HAVE
11 TO BE INVESTED IN A FACILITY WHICH IN REALITY IS NOT
12 THERE?

13 I THINK SOME OF THIS IS TO BASICALLY PUT
14 BEFORE THE BOARD THE, I YOU WILL, THE MORE REAL
15 SITUATION WITH SOME OF THESE OUTDATED PERMITS. TO A
16 CERTAIN EXTENT, SOMETIMES IT JUST LOOKS LIKE SOMEBODY
17 HASN'T GOTTEN AROUND TO THAT, BUT I THINK OUR SENSE IS
18 THAT THERE ARE SOME REAL PROBLEMS WITH THESE PERMITS
19 AND THEY WILL REALLY NEVER BE UPDATABLE. AND IF
20 THEY'RE NOT, THEN WHAT DO WE DO WITH THEM ON AN
21 ENFORCEMENT LEVEL? IF THAT'S NOT CLEAR, THEN MAYBE WE
22 NEED TO JUST DO SOME WORDSMITHING HERE TO MAKE SURE
23 BECAUSE I THINK IT'S PART AND PARCEL OF THE WHOLE
24 THING.

25 BOARD MEMBER CHESBRO: WELL, I'M CERTAINLY



1 PLEASED WITH OTHER ASPECTS OF COMPLIANCE -- STEPS
2 TOWARDS COMPLIANCE THAT ARE PRESENTED HERE, AND I'M
3 NOT -- YOU KNOW, I'M NOT BEING CRITICAL OF THE FACT
4 THAT THIS HAS BEEN FOCUSED ON AND A LOT OF WORK HAS
5 GONE INTO IT, BUT I WILL CONTINUE AS PERMITS COME
6 BEFORE THE BOARD TO VIEW, AT LEAST AS A BOARD MEMBER,
7 THE POINT AT WHICH I'M ASKED TO SAY YEA OR NAY WITH
8 REGARDS TO A FACILITY IS THE POINT AT WHICH I HAVE THE
9 OPPORTUNITY TO LOOK AT WHETHER OR NOT IT'S IN
10 COMPLIANCE. AND A PERMIT IS THE POINT AT WHICH -- FROM
11 MY STANDPOINT I'M BEING ASKED IS IT EITHER IN
12 COMPLIANCE OR IS IT MAKING SUBSTANTIAL PROGRESS TOWARDS
13 COMPLIANCE. AS YOU KNOW, ON REPEATED PERMITS THAT COME
14 BEFORE US THAT CONTINUES TO BE AT LEAST ONE OF THE
15 CRITERIA THAT I FEEL THAT I'M RESPONSIBLE TO USE IN
16 DETERMINING WHETHER TO APPROVE A PERMIT OR NOT.
17 BUT I APPRECIATE THE OTHER WORK HERE.
18 DIDN'T MEAN -- I'M JUST RAISING THAT AS A QUESTION.
19 I'M NOT BEING CRITICAL OF THE OVERALL EFFORT. I
20 APPRECIATE THE EFFORT THAT'S BEEN MADE.

21 CHAIRMAN PENNINGTON: OTHER QUESTIONS? MR.
22 JONES.

23 BOARD MEMBER JONES: MR. CHAIRMAN, I THINK
24 IT'S VERY GOOD. I'M GLAD TO SEE THIS TYPE OF DETAIL
25 AND THIS TYPE OF WORK.



1 I -- BUT TO GO OFF OF WHAT MR. CHESBRO
2 SAID, I THINK MAYBE WE NEED TO ASK YOU A QUESTION. WE
3 HAD ASKED -- AS A BOARD, WE HAD SET UP THE STRATEGIES
4 AND COMMISSIONED YOU AS STAFF TO DEVELOP PLANS THAT ARE
5 GOING TO GET YOU THERE. I THINK MAYBE THE QUESTION NOW
6 BECOMES, BASED ON THIS PLAN, WHAT DO YOU NEED FROM US
7 TO ENSURE THAT THERE IS CONSISTENCY FROM THIS BOARD IF
8 YOU FOLLOWED THE DIRECTION THAT WE ARE GOING TO BE ABLE
9 TO UPHOLD YOUR WORK.
10 I WOULD CONSIDER THAT THE ISSUES WE'RE
11 TALKING ABOUT BETWEEN COMPLIANCE AND NONCOMPLIANCE
12 MAYBE NEED TO BE -- MAYBE THIS NEEDS TO BE ANOTHER
13 WORKSHOP ISSUE ONLY BECAUSE WE'VE GOT -- WE HAVE
14 LANDFILLS THAT HAVE LON-TERM GAS VIOLATIONS, THAT HAVE
15 COME OUT WITH NOTICE AND ORDERS THAT HAVE PUT IN GAS
16 EXTRACTION SYSTEMS, AND MAYBE WE NEED TO DEFINE, TO
17 DEFINE IS THAT IN COMPLIANCE BECAUSE IT IS WORKING
18 TOWARDS THE -- YOU KNOW, IT TAKES A LONG TIME TO MAKE
19 GAS. IT TAKES A LONG TIME TO CONTROL GAS. AND DO WE
20 KEEP THESE FACILITIES OUT OF COMPLIANCE AND OUT OF THE
21 REGULATORY STREAM FOR SOMETHING THAT MAYBE IF WE COULD
22 BETTER DEFINE WHAT ALL OF THE BOARD MEMBERS ARE
23 COMFORTABLE WITH THAT, THEN THAT MIGHT MAKE YOUR JOB
24 EASIER, KNOWING THAT THEY HAVE FULFILLED ALL THOSE
25 STEPS? NOW YOU BRING THE PERMIT TO THE BOARD, AND YOU



1 CAN FEEL RELATIVELY ASSURED THAT ALL THE STEPS HAVE
2 BEEN PRESENTED.
3 MY OTHER ISSUES WOULD BE IF - - I DIDN'T
4 LOOK AT EVERYBODY ON THAT LIST, BUT I'M SURE THAT WHEN
5 WE GET YOUR LIST OF WHO'S OUT OF COMPLIANCE AND WHO
6 ISN'T, WE'RE GOING TO SEE A LOT OF CLOSURE-POSTCLOSURE
7 FUNDING ISSUES. A LOT OF THOSE ARE ATTACHED TO
8 MUNICIPAL LANDFILLS, CITIES AND COUNTIES, THAT, YOU
9 KNOW, WE GIVE THEM THE BENEFIT OF THE DOUBT AND SAY
10 THEY'RE NOT CAPABLE OF SPENDING THE MONEY. WHERE IN
11 SOME CASES THEY MAY JUST NOT WANT TO SPEND THE MONEY.
12 AND THEN I THINK WE NEED TO GO A STEP FURTHER AND SAY
13 AFTER WE'VE IDENTIFIED THE PROBLEMS, LOOK AT A MENU OF
14 HOW WE FIX THOSE PROBLEMS SO THAT IF, IN FACT, WE
15 DEVELOP THE CRITERIA TO START SHUTTING DOWN SOME OF
16 THESE FACILITIES OR TAKING WHAT ACTION NEEDS TO BE
17 TAKEN.
18 I DON'T -- I ALWAYS GO A LITTLE BIT CRAZY
19 WHEN WE TALK ABOUT AN ILLEGAL DUMP THAT WE ARE GOING TO
20 GET INTO THE PERMIT STREAM BECAUSE THEY HAVE BEEN
21 OPERATING ILLEGALLY OUTSIDE THE LAW. I WOULD GO WITH A
22 BIGGER WHIP. I'D GO WITH A BASEBALL BAT INSTEAD OF A
23 WHIP. I WOULD SHUT THEM DOWN BECAUSE IT'S NOT FAIR.
24 AND, YOU KNOW, TO TAKE AN ILLEGAL SITUATION, MEANING
25 ILLEGAL, THEY DIDN'T GET A PERMIT, THEY DIDN'T DO



1 ANYTHING, AND JUST TRY TO GET THEM INTO THE PERMIT
2 STREAM DOES NOT MAKE A LOT OF SENSE TO ME. WHAT MAKES
3 MORE SENSE TO ME IS SHUT THEM DOWN. SO -- BECAUSE WE
4 HAVE NO CONTROL OVER THE HEALTH AND SAFETY.
5 I MEAN WE'RE GOING TO BE CLEANING UP --
6 WE'RE SPENDING \$300,000 TO CLEAN UP WHAT'S BEEN A
7 SIX-YEAR ILLEGAL DUMP IN SAN FRANCISCO. AND THERE'S
8 HAZARDOUS WASTE ON THAT SITE. SO, YOU KNOW, WHY WOULD
9 WE WANT THAT FACILITY IN THE PERMIT STREAM? I WANT THE
10 GUY IN JAIL. I WANT HIS TRUCKS OFF THE ROAD. BECAUSE
11 IT'S A CONTINUE -- HE'S AN HABITUAL -- IT'S AN HABITUAL
12 SITUATION THAT CONTINUES TO IMPACT THE ENVIRONMENT AND
13 THE HEALTH AND SAFETY. PLUS, I COMPETED AGAINST THE
14 GUY AND HE MADE ME MAD. I'M HONEST; I'M FAIR.
15 BUT I MEAN I THINK WE NEED TO -- I THINK
16 THAT THERE NEEDS TO BE A COMMITMENT FROM THIS BOARD TO
17 HELP IN ALL FOUR OF THESE STRATEGIES SO THAT WHEN
18 ISSUES COME FORWARD, YOU KNOW THAT THE PLAYING FIELD
19 DOESN'T CHANGE EVERY WEEK. SO THOSE WOULD BE MY
20 COMMENTS.

21 MS. TOBIAS: I THINK THAT THOSE ARE --I'M GLAD
22 TO HEAR YOU SAY THAT BECAUSE I THINK THAT'S EXACTLY
23 WHERE WE'RE GOING. I DO THINK WE WILL BE LOOKING AT
24 THE CLOSURE OF CERTAIN FACILITIES THAT WE FINALLY GET
25 AN ACKNOWLEDGEMENT THAT THERE IS NOT THE POSSIBILITY OF



1 REALLY OPERATING AT A LEGAL LEVEL. AND THE OUTCOME
2 MEASURE SAYS -- YOU KNOW, THE PRESENTATION HAS TO BE
3 BRIEF BECAUSE OF OUR TIME CONSTRAINTS THIS MORNING.
4 THE OUTCOME MEASURE ACTUALLY SAYS IDENTIFY
5 INSTITUTIONAL BARRIERS, PURSUE SOLUTIONS. THAT MEANS
6 THAT SOME OF THESE FACILITIES WILL BE SHUT DOWN, OR IT
7 MEANS, IN THE CASE OF, FOR INSTANCE, YOU KNOW, A COUNTY
8 WHO BASICALLY HAS A LANDFILL THAT'S OPEN WHERE THEY'RE
9 DRIBBLING WASTE IN IT BECAUSE THEY DON'T HAVE THE
10 CLOSURE FUNDS, WE WILL HAVE TO BASICALLY BE LOOKING AT
11 THAT AND GOING AFTER THAT, AND THAT'S THE ENFORCEMENT
12 ASPECT OF THIS PART OF IT.
13 FIRST WE WANT TO BASICALLY MAKE SURE THAT
14 WE UNDERSTAND, YOU KNOW, WHY THEY'RE NOT GETTING A
15 PERMIT. IS THERE ANYTHING WE CAN DO TO HELP? IF NOT,
16 OR IF THERE'S NOT AN ACKNOWLEDGEMENT THAT THERE'S A
17 PROBLEM OR THE MONEY TO SOLVE IT, THEN THERE WILL BE
18 ENFORCEMENT TAKEN AGAINST IT.

19 MS. RICE: JUST TO AMPLIFY, THOSE CASE STUDIES
20 THAT WE DESCRIBE UNDER THAT ILLEGAL SOLID WASTE
21 FACILITIES OPERATIONS TARGET, THOSE WERE DESIGNED TO BE
22 ENFORCEMENT CASE STUDIES. SO WE'RE NOT LOOKING AT, YOU
23 KNOW, A KINDER, GENTLER APPROACH OF TRYING TO BRING
24 EVERYONE UNDER PERMIT. WE ARE SEEKING CASE STUDIES
25 WHERE THE LEA AND OTHER LOCAL AGENCIES HAVE BEEN



1 WORKING TO TRY TO SHUT SOMEBODY DOWN AND HAVE BEEN
2 UNABLE TO DO SO, AND WE WANT TO ANALYZE THAT. WHY?
3 WHAT WORKED? WHAT DIDN'T WORK? IS THERE ANYTHING WE
4 AS A STATE AGENCY COULD DO OR COULD HAVE DONE TO HELP,
5 DOCUMENT THAT, AND THEN BRING THAT INFORMATION TO THE
6 BOARD IN TERMS OF PROPOSALS FOR EITHER CHANGING HOW WE
7 DO BUSINESS, CHANGING THE TOOLS WE MAKE AVAILABLE TO
8 LEA'S IN TERMS OF OUR REGS, OR, IF NEED BE, STATUTORY
9 CHANGE, WHICH IS WHY JONATHAN TALKED A NUMBER OF TIMES
10 ABOUT WE BUILT IN TIME FRAMES FOR REGULATORY OR
11 STATUTORY CHANGE, NOT KNOWING WHAT WE'LL COME UP WITH,
12 BUT ASSUMING THAT'S ONE OF THE AREAS WE'RE GOING TO
13 LOOK AT.
14 BOTH WITH THE PERMITS AND THE ILLEGAL
15 OPERATIONS, ARE THERE INSTITUTIONAL BARRIERS, PROBLEMS,
16 THAT COULD BE ADDRESSED THROUGH A CHANGE IN THE LAW?
17 AND OBVIOUSLY, THOSE WOULD BE THINGS -- ALL OF THEM
18 WOULD BE THINGS THAT WE BRING BACK TO YOU TO DEBATE
19 WITH YOU AND GET WHERE YOU WANT TO GO WITH THOSE
20 ISSUES.
21 SO WE AS STAFF ARE JUST TRYING TO DEVELOP
22 THE ISSUES TO BRING THEM BACK TO YOU FOR FURTHER
23 DECISION-MAKING BECAUSE IN A NUMBER OF THESE AREAS WE
24 HAVE NOT DETERMINED WHERE WE'LL WIND UP IN TERMS OF
25 WHAT THE SOLUTIONS ARE. CLEARLY, WE HAVE NOT



1 DETERMINED THAT.

2 BOARD MEMBER JONES: NICE PRESENTATION. VERY
3 GOOD STUFF.

4 CHAIRMAN PENNINGTON: ANY FURTHER QUESTIONS?

5 OKAY. THANK YOU, DOROTHY.

6 WE'LL MOVE ON NOW TO ITEM 41,
7 PRESENTATION OF THE GREENING TEAM PERFORMANCE PLAN FOR
8 THE FOCUSED REDUCTION OF COMPOSTABLE ORGANIC
9 MATERIALS. BILL ORR.

10 MR. ORR: BEFORE I TURN THE PRESENTATION OVER
11 TO TREVOR O'SHAUGHNESSY THIS MORNING, I'D LIKE TO
12 PUBLICLY ACKNOWLEDGE THE PARTICIPATION AND COMMITMENT
13 OF THE GREENING TEAM MEMBERS, MOST OF WHOM ARE OUT IN
14 THE AUDIENCE THIS MORNING. I'D ALSO LIKE TO THANK FITZ
15 FOR ASSISTANCE IN DIGITIZING IMAGES AND EDITING VIDEO
16 THAT WILL BE A PART OF THIS MORNING'S PRESENTATION.
17 AND I'D LIKE TO MAKE A SPECIAL THANKS TO TREVOR
18 O'SHAUGHNESSY THAT WILL BE MAKING THIS MORNING'S
19 PRESENTATION.

20 BOARD MEMBER CHESBRO: WE'RE GOING TO HAVE TO
21 DEVELOP A NEW AWARDS PROGRAM FOR BEST USE OF THE
22 BOARD'S COMPUTER TECHNOLOGY.

23 MR. ORR: WITH THAT, I'LL TURN IT OVER TO
24 TREVOR.

25 MR. O'SHAUGHNESSY: THANK YOU, BILL. GOOD



1 MORNING. MY NAME IS TREVOR O'SHAUGHNESSY OF THE WASTE
2 PREVENTION-MARKET DEVELOPMENT DIVISION, MEMBER OF THE
3 GREENING TEAM. I'M HERE TO PRESENT THE PLAN, IN
4 THEORY. TIME OUT.

5 (INTERRUPTION IN PROCEEDINGS.)

6 MR. O'SHAUGHNESSY: MR. CHESBRO, YOU SPOKE TOO
7 SOON. NO AWARD PROGRAM, PLEASE.

8 CHAIRMAN PENNINGTON: MAYBE THIS IS A GOOD
9 POINT TO TAKE A BREAK. WE'LL TAKE A BREAK WHILE YOU
10 WORK THAT OUT.

11 (RECESS TAKEN.)

12 CHAIRMAN PENNINGTON: OKAY. I THINK WE'RE
13 READY NOW. WE'RE BACK ON THE RECORD.

14 MR. O'SHAUGHNESSY: I DO APOLOGIZE FOR THE
15 INCONVENIENCE.

16 CHAIRMAN PENNINGTON: NO PROBLEM. EVERYBODY
17 COULD USE THE BREAK.

18 MR. O'SHAUGHNESSY: TODAY'S PRESENTATION IS
19 FOCUSED REDUCTION OF COMPOSTABLE ORGANIC MATERIALS
20 WITHIN THE STATE OF CALIFORNIA AS PUT TOGETHER AND
21 PRESENTED BY THE GREENING TEAM. THE MEMBERS OF THE
22 TEAM INCLUDED BILL ORR AS OUR TEAM LEADER, TERRI CRONIN
23 AS OUR FACILITATOR, CATHY DONAHUE FROM DPLA, BOB
24 HOLMES FROM P&E, ALONG WITH JEFF WATSON ALSO FROM P&E.
25 OTHER MEMBERS INCLUDE ERIC LAMOUREUX FROM OFFICE OF



1 PUBLIC AFFAIRS, HOWARD LEVENSON, TREVOR O'SHAUGHNESSY,
2 AND PAT JONES FROM THE WASTE PREVENTION-MARKET
3 DEVELOPMENT DIVISION.
4 CALIFORNIA'S WASTESTREAM IS COMPOSED OF
5 MANY ELEMENTS, BUT ONE OF THE FOCUSES THAT WE HAD WAS
6 THE ORGANICS -- PRIMARILY THE COMPOSTABLE ORGANICS
7 MATERIALS WHICH COMPOSE 34 PERCENT OF THE TOTAL
8 WASTESTREAM. THE COMPOSTABLE ORGANICS MATERIALS WE
9 LOOKED AT INCLUDED LAWN TRIMMINGS, ORGANIC MATERIALS
10 FROM THE LANDSCAPE, FOOD WASTE MATERIALS, BUT IT DOES
11 NOT INCLUDE PAPER PRODUCT. IN TOTAL THERE'S
12 APPROXIMATELY 14 MILLION TONS OF ORGANIC -- COMPOSTABLE
13 ORGANIC MATERIALS BEING GENERATED ANNUALLY.
14 THE MISSION FOR THE TEAM WAS TO FIND A
15 HOME FOR ALL COMPOSTABLE ORGANIC MATERIALS WITH THE
16 GOAL OF DIVERTING 5 TO 7 MILLION TONS FROM CALIFORNIA
17 LANDFILLS BY THE YEAR 2000. WHEN DEVELOPING OUR PLAN,
18 THE TEAM LOOKED AT THE ENTIRE ORGANIC SYSTEM AS IT
19 OCCURS BOTH NATURALLY AS WELL AS WITHIN THE SYSTEM THAT
20 WE HAVE. AND WE LOOKED AT THE GENERATION OF MATERIALS
21 THROUGHOUT THE STATE OF CALIFORNIA, LOOKING AT
22 LANDSCAPE GENERATION, FOOD WASTE GENERATION, AND OTHER
23 COMPOSTABLE ORGANIC MATERIALS. WE THEN LOOKED AT THE
24 SYSTEM OF COLLECTION AND HOW THOSE MATERIALS ARE DEALT
25 WITH THROUGHOUT THE STATE OF CALIFORNIA OR NOT DEALT



1 WITH IN MANY INSTANCES. WE ALSO LOOKED AT THE
2 PROCESSING AND MANUFACTURING OF COMPOST AND MULCH
3 MATERIALS THROUGHOUT THE STATE OF CALIFORNIA, AND THEN
4 FINALLY END USES OF ALL PRODUCTS THAT ARE CREATED AND
5 USED WITHIN THE STATE.
6 WE DEVELOPED SIX TARGETS WITHIN OUR PLAN,
7 THE FIRST OF WHICH WAS INCREASE ON-SITE MANAGEMENT OF
8 LANDSCAPE TRIMMINGS AND RESIDENTIAL FOOD SCRAPS BY 1
9 MILLION TONS BY THE YEAR 2000.
10 TARGET 2 WAS DECREASE WASTE OF COMMERCIAL
11 AND INSTITUTIONAL FOOD BY .3 MILLION TONS BY YEAR 2000.
12 TARGET 3 IS IMPROVE FEEDSTOCK QUALITY TO
13 INCREASE PRODUCT MARKETABILITY.
14 TARGET 4 IS DEVELOP REGULATORY FRAMEWORK
15 THAT PROTECTS PUBLIC HEALTH AND THE ENVIRONMENT AND
16 INCREASES BUSINESS OPPORTUNITIES THROUGHOUT THE STATE
17 OF CALIFORNIA.
18 TARGET 5 IS INCREASE PROCUREMENT OF
19 COMPOST AND MULCH MATERIALS BY THE LANDSCAPE INDUSTRY
20 BY ONE AND A HALF TO TWO MILLION TONS AND DO THE SAME
21 WITH COMPOST AND MULCH WITHIN THE AGRICULTURAL INDUSTRY
22 BY AN ADDITIONAL ONE AND A HALF TO TWO MILLION TONS.
23 BOTH TARGET 5 AND 6 COMBINED WILL DIVERT 3 TO 4 MILLION
24 TONS OF MATERIAL FROM DISPOSAL.
25 WE SEE THE PROBLEMS EVERY DAY WITHIN



1 TARGET 1. WE'VE GOT GRASS CLIPPINGS THAT ARE GENERATED
2 WITHIN THE COMMERCIAL SECTOR AND ALSO JUST PILES OF
3 GRASS BEING GENERATED WITHIN THE RESIDENTIAL SECTOR AND
4 OTHER AREAS. WITH THAT, WE HAVE, AS WAS STATED, TARGET
5 1, MEASURE 1.1, WHICH IS THE NUMBER OF TARGETED
6 JURISDICTIONS JOINING THE GRASSCYCLING CAMPAIGN WITH
7 ALL TARGETED JURISDICTIONS JOINING THE CAMPAIGN AND
8 ACHIEVING A 50-PERCENT PARTICIPATION BY THE RESIDENTS
9 WITHIN THE COMMUNITY.
10 I'D LIKE TO STOP JUST FOR A MINUTE TO
11 DEFINE WHAT WE MEAN BY TARGETED JURISDICTIONS FOR ALL
12 OF OUR TARGETS AND OUR -- ALL OF OUR TARGETS AND OUR
13 MEASUREMENTS. THE JURISDICTION, WHETHER IT'S A CITY,
14 COUNTY, REGIONAL OR BUSINESS, WILL BE THE ENTITIES THAT
15 GENERATE 80 PERCENT OF THE TOTAL WASTE MATERIAL
16 GENERATED WITHIN THAT PARTICULAR INDUSTRY OR USING THE
17 80-20 RULE. SO THAT SAME THING WILL BE USED THROUGHOUT
18 ALL THE PRESENTATIONS TO FOCUS ON DEVELOPING OUR
19 TARGETS.
20 WITH THAT, WITHIN TARGET 1, THE SOLUTIONS
21 ARE GETTING INDIVIDUALS TO TAKE THEIR BAGS OFF THEIR
22 LAWN MOWERS, TO PRACTICE GRASSCYCLING AND BRINGING IT
23 TO OUR OWN FRONT YARD.
24 THE PROBLEM 2, MEASURE 1.2 HAS PROBLEMS
25 OF ALL THE ORGANIC MATERIALS GENERATED, INCLUDING FOOD



1 WASTE, THAT ALL ENDS UP BEING DISPOSED WITHIN
2 CALIFORNIA LANDFILLS, OR AT LEAST THE VAST MAJORITY OF
3 IT. WITH THAT, WE HAVE MEASURE 1.2, WHICH IS THE
4 NUMBER OF TARGETED JURISDICTIONS IMPLEMENTING EDUCATION
5 PROGRAMS BY 2000 WITH 20 PERCENT OF TARGETED
6 JURISDICTIONS IMPLEMENTING PROGRAMS THROUGHOUT THE
7 STATE OF CALIFORNIA. ALL THIS LEADING TO PROPER
8 LANDSCAPING BEING IMPLEMENTED AND PUT IN RESIDENTIAL OR
9 COMMERCIAL SECTORS, RESIDENTIAL SECTORS, AS WELL AS
10 BACKYARD COMPOSTING DEMONSTRATION SITES, BACKYARD
11 COMPOSTING BEING IMPLEMENTED AND THE USE OF
12 VERICOMPOSTING TO DEAL WITH FOOD WASTE MATERIALS AS
13 WELL.
14 THE NEXT ISSUE IS FOOD WASTE OR SPOILAGE
15 WITHIN THE STATE OF CALIFORNIA, CULLS THAT ARE
16 GENERATED BY THE RESTAURANT INDUSTRY, AND JUST THE
17 DISPOSAL OF THAT MATERIAL WITHIN THE STATE. WITH THAT,
18 WE HAVE OUR TARGET OF COMMERCIAL AND INSTITUTIONAL
19 FOOD. WITH MEASURE 2.1, THE NUMBER OF TARGETED
20 GENERATORS IMPLEMENTING BEST MANAGEMENT PRACTICES BY
21 THE YEAR 2000 WITH 40 PERCENT OF TARGETED GENERATORS
22 IMPLEMENTING THOSE BMP'S.
23 2.2 IS THE NUMBER OF TARGETED
24 JURISDICTIONS IMPLEMENTING COMMERCIAL FOOD PROGRAMS
25 WITH IMPLEMENTATION OF 50 PERCENT OF TARGETED



1 JURISDICTIONS IMPLEMENTING COMMERCIAL FOOD PROGRAMS TO
2 DIVERT THOSE WASTE MATERIALS. ALL OF THIS DOING
3 SOMETHING WITH THE FOOD WASTE, WHETHER IT'S CREATING A
4 FOOD STOCK FOR ANIMAL FEED, TAKING THE COMPOST OR FOOD
5 WASTE MATERIALS AND INTEGRATE IT INTO COMPOSTING
6 OPERATIONS TO CREATE A HIGH QUALITY COMPOST PRODUCT.
7 ANOTHER ISSUE AND PROBLEM THAT WE HAVE TO
8 DEAL WITH IS THE QUALITY OF FEEDSTOCK TO COMPOST
9 OPERATIONS WITH A MAJOR BARRIER AND CONTAMINATION BEING
10 GLASS AND ANOTHER ISSUE WHICH IS VERY VISIBLE WHICH IS
11 PLASTIC MATERIALS WITHIN THE FEEDSTOCK.
12 WITH THAT, WE HAVE TARGET 3, IMPROVE
13 FEEDSTOCK QUALITY, WITH MEASURE 3.1, THE NUMBER OF
14 TARGETED JURISDICTIONS COLLECTING LANDSCAPE TRIMMINGS
15 SEPARATELY WITH 25 PERCENT OF TARGETED JURISDICTIONS
16 IMPLEMENTING SEPARATE COLLECTION PROGRAMS.
17 AGAIN, I'D LIKE TO STOP JUST FOR A MINUTE
18 AND LET YOU EXAMINE OR LOOK AT THE MATERIALS THAT ARE
19 IN FRONT OF YOU IN THE DIFFERENT BAGS. THOSE ARE
20 DIFFERENT QUALITY TYPES OF PRODUCT, COMPOST MATERIALS
21 THAT ARE OUT THERE. THERE'S TWO OF THEM THAT ARE
22 LABELED FINISHED CLEAN PRODUCT, AND THOSE ONES ARE SOLD
23 ON THE MARKET. AND THEN THE FINAL ONE SHOWS PLASTIC
24 MATERIAL AND OTHER CONTAMINANTS WITHIN THE BAG THAT
25 SHOWS THE ISSUE AND PROBLEM ABOUT MIXED COLLECTION OF



1 MATERIALS.
2 CONTINUING ON, WE HAVE MEASURE 3.2, WHICH
3 IS THE LEVEL OF ACCEPTANCE OF MRF OR MATERIAL RECOVERY
4 FACILITY FEEDSTOCKS, AS WELL AS CURBSIDE FEEDSTOCKS
5 GOING INTO THE COMPOSTING PROCESS. THE RESULT IS TO
6 CONDUCT TWO SURVEYS AND MAKE RECOMMENDATIONS TO
7 INCREASE ACCEPTABILITY OF THESE COLLECTED MATERIALS
8 WITHIN THE COMPOSTING ARENA. ALL THIS GOING TO SHOW
9 AND DO CURBSIDE COLLECTION PROGRAMS TO MAKE HIGH
10 QUALITY COMPOST MATERIALS.
11 THE NEXT PROBLEM THAT WE ALL FREQUENTLY
12 HEAR, AND WE JUST HAD A LITTLE BIT OF DISCUSSION ON
13 THIS, IS THE COMPOST REGULATIONS AND PERMITTING OF
14 FACILITIES CAN BE VERY CUMBERSOME.

15 BOARD MEMBER CHESBRO: I THOUGHT THIS SLIDE
16 WAS GOING TO BE ABOUT PAPER, COMPOSTING OF OFFICE
17 PAPER.

18 MR. O'SHAUGHNESSY: NO, SIR. IT'S ACTUALLY
19 THE CUMBERSOME PROCESS, MR. CHESBRO, OF GETTING A
20 PERMIT AND ALSO THE BUSINESS BARRIERS OF DOING
21 COMPOSTING.

22 BOARD MEMBER CHESBRO: THAT'S NOT THE
23 COMPOSTING COLLECTION FACILITY RIGHT THERE?

24 MR. O'SHAUGHNESSY: IT MAY BE BY SOME. WITH
25 THAT, WE HAVE THE STATUS OF THE ORGANIC REGULATION



1 PACKAGE BEING COMPLETED AND PROMULGATED WITH NEW
2 REGULATIONS BY THE YEAR 2000. ALSO WITHIN THIS AREA WE
3 HAVE MEASURE 4.2, WHICH IS THE NUMBER OF FACILITY AND
4 OPERATIONS AND ACTIVITIES IN COMPLIANCE WITH
5 REGULATIONS WITH 95 PERCENT OF ENTITIES IN COMPLIANCE
6 WITH THE REGULATIONS.
7 MEASURE 4.3 IS LOOKING AT THE LEVEL OF
8 BUSINESS OPPORTUNITIES THROUGHOUT THE STATE OF
9 CALIFORNIA AND CONDUCT TWO SURVEYS TO MAKE
10 RECOMMENDATIONS TO RAISE OPPORTUNITIES TO INCREASE
11 BUSINESS OPPORTUNITIES EITHER THROUGH EXPANDING
12 EXISTING BUSINESSES OR OPENING UP NEW ONES WITHIN THE
13 STATE. ALL OF THIS GIVES US THE SOLUTION OR LINKAGE OF
14 MARKETS, GEARING TOGETHER AND MESHING VERY CLEANLY WITH
15 THE PERMITTING PROCESS.
16 TARGET 5 IS DEALING WITH THE INCREASED
17 LANDSCAPE USE OF MATERIAL, WITH MEASURE 5.1 GETTING
18 TONS OF PRODUCT SOLD INCREASED WITH A RESULT OF ONE AND
19 A HALF TO TWO MILLION TONS OF INCREASED SALES
20 THROUGHOUT THE STATE.
21 5.2 IS THE LEVEL OF USE OF PRODUCT
22 SPECIFICATIONS AND GUIDELINES FOR COMPOST-DERIVED
23 MATERIALS FROM THE URBAN STREAM WITH THE INCREASED USE
24 OF SPECIFICATION AND GUIDELINES THROUGH PROMOTION OF
25 THEIR AVAILABILITY.



1 5.3 IS THE NUMBER OF CALIFORNIA COMPOST
2 QUALITY COUNCIL PRODUCERS WITH AN INCREASE IN
3 REGISTERED PRODUCERS BY 30. CURRENTLY I BELIEVE
4 THERE'S FOUR ON RECORD, AND WE MAY GET COMMENT ON THAT
5 HERE FROM SOMEONE IN THE AUDIENCE, BUT WE'RE TRYING TO
6 GET THE RECOGNITION AND GETTING REGISTERED PRODUCERS TO
7 SHOW QUALITY PRODUCT BEING GENERATED THROUGHOUT THE
8 STATE. ALL OF THIS LEADING TO MULCH MATERIALS BEING
9 USED IN LANDSCAPES OR MULCH MATERIALS BEING USED IN
10 ROADSIDES, HIGH QUALITY COMPOST BEING USED IN BULK IN
11 LANDSCAPE INSTALLATION WITH THE CUSTOMER BEING
12 SATISFIED WITH THEIR PRODUCT, OR BAGGED PRODUCT BEING
13 GENERATED FOR LANDSCAPE USE.
14 THE AGRICULTURAL INDUSTRY IS A LARGE
15 AVAILABLE INDUSTRY WITH OVER 10 MILLION ACRES OF
16 FARMLAND AVAILABLE, WHETHER IT'S FIXED ROW CROPS OR ROW
17 CROP MATERIALS, AND THERE ARE AVAILABLE MARKETS FOR THE
18 COMPOST BEING GENERATED.
19 SO HAVING SAID THAT, 6.1 IS THE TONS OF
20 PRODUCT SOLD WITH AN INCREASE OF ONE AND A HALF TO TWO
21 MILLION TONS OF SALES TO THE AGRICULTURAL INDUSTRY.
22 6.2 IS THE NUMBER OF ACRES WITH COMPOST
23 MULCH APPLIED WITH AN INCREASE OF COMPOST AND MULCH
24 BEING APPLIED TO ONE MILLION ACRES OF AG LAND
25 THROUGHOUT THE STATE OF CALIFORNIA. ALL OF THIS BEING



1 A SOLUTION OF COMPOST BEING USED IN THE AGRICULTURAL
2 INDUSTRY TO INCREASE PRODUCT YIELDS AND MAKING HIGH
3 QUALITY PRODUCTS WITH SOME DISADVANTAGES TO THE FARMER
4 OF HAVING TO TAKE LARGER PRODUCTS TO MARKET.
5 6.3 AS A MEASURE IS THE NUMBER OF
6 PARTNERSHIP PROJECTS USING COMPOST AND MULCH THROUGHOUT
7 THE STATE OF CALIFORNIA WITH THE TEAM AND THE WASTE
8 MANAGEMENT BOARD INITIATING TEN PARTNERSHIP PROJECTS
9 USING COMPOST AND MULCH AND ITS BENEFITS TO THE
10 AGRICULTURAL INDUSTRY. ALL OF THIS BEING DONE THROUGH
11 WASTE MANAGEMENT BOARD OUTREACH TO THE INDUSTRY, DOING
12 DEMONSTRATIONS OR PROJECTS SHOWING THE BENEFITS OF
13 COMPOST AND MULCH, AGAIN, TO INCREASE THE PRODUCTS AND
14 YIELDS OF DIFFERENT MATERIALS OR FOOD STOCK, IF YOU
15 WILL, TO THE RESIDENTS WITHIN THE STATE OF CALIFORNIA.
16 AT THIS TIME I'D LIKE TO DO A SHORT VIDEO
17 THAT KIND OF SUMMARIZES THE WHOLE ASPECTS THAT WE'RE
18 ADDRESSING BY THE GREENING TEAM.
19 (VIDEO WAS THEN PLAYED, BUT NOT REPORTED
20 NOR HEREIN TRANSCRIBED.)
21 MR. ORR: I'D LIKE TO CONCLUDE THE
22 PRESENTATION BY INDICATING WHAT OUR NEXT STEPS ARE.
23 WE'RE CONTINUING TO NEGOTIATE WITH THE DIVISIONS
24 REGARDING RESOURCE ALLOCATIONS AND THE DELIVERABLES
25 UNDER THIS PLAN, HAVING MADE SOME INITIAL CONTACTS WITH



1 STAKEHOLDERS AND PARTNERS WHICH ARE CONTINUING AS WE
2 SPEAK. AND THEN BASICALLY IT COMES DOWN TO
3 IMPLEMENTING THE PLAN, CHECKING, AND ADJUSTING ON THE
4 FLY. AND WITH THAT, I'D BE GLAD TO ENTERTAIN ANY
5 QUESTIONS.

6 CHAIRMAN PENNINGTON: QUESTIONS?

7 BOARD MEMBER JONES: YES. SINCE YOU LOOKED AT
8 ME TWICE. I JUST HAVE A COUPLE OF QUESTIONS. ON THE
9 CCQC, HAVE THEY DEVELOPED STANDARDS TO ENSURE THAT THE
10 COMPOST IS QUALITY? I MEAN IS THAT PART OF THE CCQC
11 EFFORT, TO ESTABLISH QUALITY STANDARDS?

12 MR. ORR: YEAH, THAT IS PART OF THE PROCESS.
13 THERE'S REALLY, I THINK, THREE ASPECTS TO IT. THERE'S
14 THE REDUCTION OF PATHOGENS, THERE'S THE SEED KILL, AND
15 THEN THERE'S THE DISCLOSURE OF THE FEEDSTOCK SOURCES,
16 50 THOSE ARE THE KEY ELEMENTS TO THE CCQC REGISTRATION
17 PROCESS.

18 BOARD MEMBER JONES: BECAUSE I THINK IT'S
19 VALID TO IDENTIFY THE AGRICULTURAL COMMUNITY AS THE
20 USER; BUT WHEN THOSE FARMLANDS ARE -- I MEAN THAT'S A
21 HELL OF AN ASSET. AND WE NEED TO MAKE SURE THAT WE'RE
22 PUTTING -- THAT WE'RE PROMOTING THE USE OF HIGH QUALITY
23 COMPOST AND NOT SOMETHING THAT RESEMBLES 20 DAYS AFTER
24 IT WAS PUT IN A GARBAGE TRUCK, CHOPPED UP, AND SOMEBODY
25 CALLS IT A LAND APPLICATION. AND I THINK THAT THAT'S



1 IMPORTANT BECAUSE WE DON'T WANT TO BE RESPONSIBLE FOR
2 PROMOTING SOMETHING THAT DESTROYS ONE OF CALIFORNIA'S
3 BEST ASSETS. BUT I THINK IF YOU LOOK AT TOM KING DOWN
4 AT CROWN AND YOU SEE HIS FARMLAND, I THINK THAT ONE OF
5 THE PICTURES YOU HAD THAT -- I DON'T KNOW IF THOSE WERE
6 TWO EAR OF CORN ON A TRUCK. I'M SURE THAT CAME FROM
7 TOM'S PROPERTY BECAUSE HE GETS PHENOMENAL GROWTH OUT OF
8 HIS FARMLANDS. BUT HE CONTROLS THE QUALITY OF THE
9 MATERIAL THAT'S GOING ON IT. AND I JUST HOPE THAT WE
10 SPEND A LOT OF TIME ENSURING THAT PEOPLE MAKE A QUALITY
11 PRODUCT BECAUSE IT JUST MAKES NOTHING BUT SENSE. I
12 MEAN I'M GLAD TO SEE THE DIRECTION THAT YOU ARE GOING.

13 BOARD MEMBER FRAZEE: MR. CHAIRMAN.

14 CHAIRMAN PENNINGTON: YES, MR. FRAZEE.

15 BOARD MEMBER FRAZEE: I FIND IT INTERESTING
16 THAT THESE TWO PRESENTATIONS CAME IN THE SEQUENCE THAT
17 THEY DID, THE ENFORCEMENT AND THE COMPOSTING, BECAUSE
18 IT SEEMS LIKE PERHAPS THAT'S ANOTHER STEP WE NEED TO
19 TAKE IS GREATER TIES BETWEEN THOSE TWO. AND OF ALL THE
20 AREAS OF ENFORCEMENT, I THINK THE ONE WHERE WE NEED TO
21 DO A LOT OF WORK IS IN THE HANDLING OF GREEN WASTE.
22 THERE ARE FAR TOO MANY OPERATORS OUT THERE THAT ARE
23 SETTING UP FACILITIES UNDER THE GUISE OF DOING
24 COMPOSTING; AND BECAUSE THEY OFFER A GREATLY REDUCED
25 TIPPING FEE, THEY'RE ACCUMULATING HUGE PILES OF



1 MATERIAL THAT NEVER -- PROBABLY IS NEVER INTENDED,
2 ALTHOUGH SOME OF THEM PROFESS TO HAVE GOOD INTENTIONS,
3 NEVER INTENDED TO REALLY MAKE A PRODUCT, BUT JUST IS A
4 REDUCED METHOD OF DISPOSAL AND TAKING THE MONEY AND
5 RUNNING.
6 AND WE'VE TAKEN SOME STEPS IN THAT REGARD
7 WITH TIGHTENING UP OUR ORGANIC REGULATIONS, BUT IT'S
8 ONE, I THINK, WHERE WE NEED TO CONTINUE TO WORK WITH
9 LEA'S ON ENFORCEMENT IN THAT AREA. AND I THINK IT'S --
10 THE WHOLE PROCESS IS GIVING COMPOSTING A BAD NAME, AND
11 50 IT'S AN AREA THAT I THINK NEEDS ATTENTION.

12 MR. ORR: WE'RE DEFINITELY INTERESTED IN
13 SUSTAINABLE BUSINESSES, AND THAT'S WHY WE'VE REALLY
14 TAKEN A SYSTEMS APPROACH TO THAT. WE'VE ALREADY
15 INITIATED A NEW APPROACH TO DEVELOPING THE NEXT SET OF
16 COMPOSTING REGULATIONS THAT IS SEEKING, FROM THE
17 OUTSET, TO HAVE THE P&E DIVISION AND THE MARKETS
18 DIVISION SIT DOWN AS CO-LEADS OVER THIS EFFORT TO
19 ENSURE THAT YOU HAVE BOTH GOOD FACILITIES AND THOSE
20 BUSINESS OPPORTUNITIES THAT WE'RE LOOKING FOR.

21 BOARD MEMBER EATON: MR. CHAIR, I WOULD JUST
22 LIKE TO SAY A COUPLE OF WORDS. I SAW BOTH THESE TEAMS
23 WHEN I FIRST CAME HERE AND FROM THE TIME FIRST SAW THEM
24 TO NOW, THEY HAVE JUST BASICALLY GONE FROM T-BALL INTO
25 THE WORLD SERIES, I THINK, IN TERMS OF BOTH THEIR



1 PRESENTATION AND DEFINING WHAT GOALS THEY HAVE, AND
2 THEY OUGHT TO BE COMMENDED.
3 I JUST HAVE ONE KIND OF REQUEST OR THINGS
4 PERHAPS FOR THIS TEAM TO KEEP IN MIND IS THAT I THINK
5 WE ALWAYS RUN THE RISK OF PUTTING ALL OUR EGGS IN ONE
6 BASKET. AND AS WE LOOK AT THE GOALS, WE FOCUS LARGELY
7 ON COMPOSTING, BUT I WOULD HOPE THAT FOR OTHER
8 AGRICULTURAL PRODUCTS SUCH AS PERHAPS RICE STRAW OR
9 GRAPEVINE PUMICE OR SOMETHING LIKE THAT THAT WE MIGHT
10 LOOK AT BUILDING MATERIALS AND OTHER KINDS OF MARKETS
11 50 THAT IF THE FLUCTUATIONS IN ONE MARKET, AS I VISITED
12 A SITE LAST WEEK, THREE YEARS AGO THEY COULDN'T GET RID
13 OF THE STUFF BY GIVING IT AWAY, NOW THEY CAN'T ACTUALLY
14 KEEP UP WITH THE DEMAND, BUT THAT'S SUBJECT TO MARKET
15 FLUCTUATION AT THE APPROPRIATE TIME THAT YOU FEEL
16 NECESSARY TO KIND OF LOOK AT SOME OF THE BROADER VIEWS
17 AND USES OF AGRICULTURAL PRODUCTS INTO OTHER MARKETS
18 OTHER THAN JUST COMPOSTING.

19 CHAIRMAN PENNINGTON: OKAY. THANK YOU.
20 NOW WE HAVE A COUPLE OF PEOPLE IN THE
21 AUDIENCE WHO WISH TO MAKE A STATEMENT. MR. EVAN EDGAR.

22 MR. CHANDLER: I THINK WE HAVE ONE MORE TO
23 COMPLETE, IF YOU WOULD LIKE.

24 CHAIRMAN PENNINGTON: I THOUGHT WE WERE GOING
25 TO DO TEAMS AND LET THESE FOLKS TALK.



1 MR. CHANDLER: EVAN, WERE YOUR COMMENTS TO
2 THESE TWO --

3 CHAIRMAN PENNINGTON: HE'S GOT TWO SLIPS IN.

4 MR. EDGAR: ORGANICS AND I HAVE ON BEYOND 2000
5 TOO. I HAVE TWO SETS OF COMMENTS.

6 MR. CHANDLER: WHY DON'T YOU LET US FINISH THE
7 WHOLE PRESENTATION SINCE HE'S GOING INTO THE OTHER AREA
8 AS WELL?

9 CHAIRMAN PENNINGTON: BUT I DO HAVE ANOTHER
10 ONE WHO JUST WANTS, I'M SURE, ERIC ANDERSON, WHO WANTS
11 TO TALK ABOUT THE COMPOSTING.

12 MR. CHANDLER: HOWEVER YOU CHOOSE TO DO IT.
13 IT'S YOUR CALL. GO AHEAD.

14 MR. ANDERSON: GOOD MORNING, MEMBERS OF THE
15 BOARD. MY NAME IS ERIC ANDERSON. I'M GENERAL MANAGER
16 OF COAL CREEK COMPOST. I'M HERE TODAY REPRESENTING THE
17 ASSOCIATION OF COMPOST PRODUCERS.

18 I APOLOGIZE FOR MY LACK OF PREPARATION.
19 WE JUST RECENTLY FOUND OUT ABOUT THIS, AND I WAS ASKED
20 LAST NIGHT TO COME AND ATTEND THIS MEETING. I WILL
21 MAKE MY COMMENTS BRIEF.

22 FIRST OF ALL, OUR BOARD WILL BE MEETING
23 ON JANUARY 3D AND BEGIN TO TAKE A MUCH CLOSER AND
24 COMPREHENSIVE LOOK AT THE PROPOSAL PUT FORTH BY YOUR
25 TEAM. WE ARE VERY PLEASED THAT YOU ARE TAKING THIS NEW



1 APPROACH. I THINK PARTICULARLY THE LENGTH BETWEEN
2 PERMITTING AND PRODUCT AND MARKETS IS ESSENTIAL AND IS
3 GOING TO BE A CRITICAL ELEMENT OF THE SUCCESS OF THIS
4 PROGRAM.
5 WE WOULD, HOWEVER, LIKE TO COMMENT ON A
6 COUPLE OF AREAS. FIRST OF ALL, THE BACKYARD AND
7 ON-FARM COMPOSTING IS SOMETHING THAT CLEARLY IS THE
8 HIGHEST AND BEST POSSIBLE GOAL SIMPLY BECAUSE YOU
9 REDUCE IT AT THE SOURCE AND IT DOESN'T NEED TO GO
10 ANYWHERE. HOWEVER, ONE OF THE ELEMENTS OF THIS PLAN
11 THAI HAS BEEN CERTAINLY POINTED OUT AS BEING CRITICAL
12 TO LONG-TERM MARKETING EFFORTS IS THE ISSUE OF CCQC.
13 AND OUR ASSOCIATION WANTS TO MAKE SURE THAT YOUR BOARD
14 KNOWS THAT AT THIS POINT WE STILL HAVE GRAVE CONCERNS
15 ABOUT CCQC. WE ARE NOT SATISFIED WITH THE APPROACH.
16 WE HAVE BROUGHT OUR CONCERNS FORWARD. WE DO NOT
17 NECESSARILY FEEL THAT THOSE CONCERNS HAVE BEEN HEARD.
18 I GET VERY NERVOUS AS A PRODUCER WHEN I
19 HEAR PEOPLE TALKING ABOUT QUALITY COMPOST BECAUSE NO
20 ONE CAN GIVE YOU A DEFINITION OF WHAT QUALITY COMPOST
21 IS. IN OUR VIEW AT THIS POINT, WHAT CCQC DOES IS SAYS
22 AN OPERATION HAS A PERMIT, AND THEY AGREE TO HAVE
23 CERTAIN TESTS DONE ON THEIR MATERIAL. THAT DOES NOT
24 MEAN THAT THAT OPERATION IS PRODUCING WHAT ONE MIGHT
25 CALL QUALITY COMPOST.



1 WE HAVE BEEN VERY SUPPORTIVE OF THE WORK
2 OF THE COMPOSTING COUNCIL IN THEIR DEVELOPMENT OF
3 GUIDELINES AND PRODUCT SPECIFICATIONS FOR COMPOST
4 BECAUSE COMPOST IS NOT A SINGULAR PRODUCT. IT IS A
5 MULTITUDE OF PRODUCTS FOR A MULTITUDE OF MARKETS THAT
6 TAKES A GREAT DEAL OF EXPERTISE AND EXPERIENCE TO
7 PROPERLY PRESENT TO POTENTIAL MARKETS OUT THERE.
8 AT THIS POINT, AS FAR AS I AM AWARE, AND
9 I MAY BE WRONG, SOMETHING MAY HAVE HAPPENED IN THE LAST
10 COUPLE OF MONTHS, AS FAR AS I'M AWARE, THERE ARE STILL
11 NO ACP MEMBERS WHO HAVE UNDERGONE OR WHO ARE WILLING TO
12 UNDERGO THE CCQC PROCESS. FROM OUR POINT OF VIEW, FROM
13 OUR COMPANY'S POINT OF VIEW, LET ME STEP ASIDE FROM
14 ACP, IT'S SIMPLY SOMEBODY WANTING A THOUSAND OR TWO
15 DOLLARS TO TELL PEOPLE THAT WE'VE ALREADY SPENT A LOT
16 OF MONEY AND WE HAVE A PERMIT, AND WE DON'T THINK
17 THAT'S THE DIRECTION THAT WE NEED TO BE GOING IN TERMS
18 OF THIS EFFORT. AT THIS POINT SIMPLY DROPPING THE WORD
19 "QUALITY" FROM THAT TITLE WOULD MAKE US MUCH MORE
20 COMFORTABLE.
21 WE ALSO WOULD LIKE SIGNIFICANT INPUT --
22 EMPHASIS PLACED ON CLEANING UP FEEDSTOCKS, PARTICULARLY
23 IN CURBSIDE PROGRAMS. WE HAVE TRIED TO DEAL WITH THAT
24 AT THE LOCAL LEVEL. IT HAS BEEN FRUSTRATING. WE HAVE
25 NOT EVEN BEEN ABLE TO GET LOCAL HAULERS TO PUT LABELS



1 ON THE CANS, WHICH WE THINK WOULD BE A NICE FIRST
2 STEP. SO CLEANING UP FEEDSTOCKS IS CRITICAL TO THIS
3 EFFORT.
4 FINALLY, FOR THE LONG-TERM GOOD OF THE
5 MARKET, WE CONTINUE TO BELIEVE STRONGLY THAT ADC
6 DISRUPTS THE MARKET, THAT IT CAUSES SIGNIFICANT
7 PROBLEMS, THAT IT IS A BAD REGULATION, AND THAT IF THE
8 GOAL OF THIS BOARD IS DIVERTING VOLUMES OF MATERIALS
9 FROM LANDFILL, THAT ADC IS NOT SUPPORTIVE OF THAT GOAL
10 AND IS CERTAINLY NOT SOMETHING THAT IS GOING TO FURTHER
11 THE INTERESTS OF OUR INDUSTRY.
12 WE LOOK FORWARD TO MEETING WITH YOUR
13 TEAM, TO WORKING WITH THEM, AND TO ADDRESSING OUR
14 CONCERNS AT THAT LEVEL, AND HOPEFULLY SPEAKING TO YOU
15 AGAIN IN THE NEAR FUTURE. THANK YOU VERY MUCH FOR YOUR
16 TIME.

17 CHAIRMAN PENNINGTON: MR. ANDERSON, I THINK
18 MR. CHESBRO HAS A QUESTION.

19 BOARD MEMBER CHESBRO: YOU HAVE EXPRESSED SOME
20 DISSATISFACTION WITH THE CCQC PROCESS. DO YOU SUPPORT
21 THE CONCEPT OF A QUALITY CERTIFICATION? AND IF SO, IS
22 THERE SOME OTHER APPROACH OR SOMETHING THAT YOU WOULD
23 SUPPORT US DOING TO TRY TO COME UP WITH A SUFFICIENT
24 QUALITY CERTIFICATION? OR IS IT THE IDEA OF IT?

25 MR. ANDERSON: NO. WE SUPPORT A



1 CERTIFICATION. AND AS AN ASSOCIATION, WE HAVE BEEN
2 MOVING SLOWLY TOWARDS A CERTIFICATION, BUT THERE ARE A
3 NUMBER OF CRITICAL ISSUES. ONE IS LET'S SEPARATE THE
4 ISSUE OF CERTIFYING PRODUCERS IN TERMS OF WHETHER OR
5 NOT THEY COMPLY WITH THE LAW, WITH PATHOGEN REDUCTION,
6 WITH THOSE THINGS THAT WE ALL MUST BE DOING. THAT'S
7 ONE STEP.
8 BUT TALKING ABOUT QUALITY IS A MINE
9 FIELD, AND IT IS SOMETHING THAT, AS I SAID A FEW
10 MINUTES AGO, THERE ARE SO MANY POTENTIAL PRODUCTS,
11 THERE ARE SO MANY DIFFERENT USES, THAT WE BELIEVE THAT
12 THE APPROACH THAT SHOULD BE SUPPORTED, AND WE WOULD
13 ENCOURAGE THIS BOARD TO SUPPORT THE APPROACH, IS THE
14 APPROACH OF THE COMPOSTING COUNCIL, WHICH IS LOOKING AT
15 EACH USE, WHICH IS LOOKING AT PRODUCT SPECIFICATIONS
16 BECAUSE THE KIND OF COMPOST YOU MIGHT WANT TO PUT DOWN
17 ON A VINEYARD MAY BE DRAMATICALLY DIFFERENT FROM THE
18 KIND OF COMPOST YOU NEED TO USE IF YOU WANT TO USE IT
19 AS GOLF COURSE APPLICATION OR A LANDSCAPE APPLICATION.
20 WE PRODUCE A VERY HIGH NUTRIENT VALUE AGRICULTURAL
21 COMPOST. IF YOU PLANT A PLANT DIRECTLY IN IT, IT MAY
22 HARM THAT PLANT.
23 SO WE DON'T THINK -- WE DON'T THINK A
24 SIMPLE STAMP THAT SAYS IF YOU SIMPLY OBEY THE LAW AND
25 GET YOUR PERMITS AND PROVIDE THIS CERTAIN KIND OF



1 INFORMATION TO YOUR CUSTOMERS, WHICH IS VERY BASIC
2 INFORMATION, THAT THAT MEANS THAT YOU ARE PRODUCING A
3 QUALITY PRODUCT.
4 SO, YES, WE THINK CERTIFICATION IN THE
5 LONG RUN IS THE WAY WE WANT TO GO, BUT WE -- I THINK
6 YOU WANT TO MOVE VERY CAREFULLY IN DOING A
7 CERTIFICATION PROGRAM, AND WE'VE MADE THIS POINT A
8 NUMBER OF TIMES. THE WORST THING THAT COULD HAPPEN TO
9 THIS WHOLE INDUSTRY IS IF WE START CERTIFYING PRODUCTS,
10 PUTTING A STAMP OF APPROVAL ON THEM, CALLING THEM
11 QUALITY PRODUCTS, AND WE BEGIN TO HAVE PROBLEMS OUT IN
12 THE FIELD, AND PRODUCERS PUT BAD PRODUCT OUT THERE.
13 AND UNDER THE PRESENT SYSTEM, THERE IS NO WAY TO
14 GUARANTEE THAT THAT WON'T HAPPEN.
15 ONE OF THE ISSUES WE RAISED DURING THE
16 EARLY MEETINGS WAS THE WHOLE ISSUE OF LIABILITY. WHAT
17 HAPPENS IF SOMEONE THAT CCQC HAS CERTIFIED PROVIDES A
18 PRODUCT TO A CUSTOMER THAT HARMS THEIR SOIL OR HARMS
19 THEIR CROPS? AND THAT ISSUE OF LIABILITY HAS NEVER
20 BEEN ANSWERED TO OUR SATISFACTION. SO, YES, WE DO IN
21 THE LONG RUN SUPPORT SOME KIND OF CERTIFICATION. WE
22 HAVE SERIOUS CONCERNS.

23 BOARD MEMBER JONES: MR. CHAIRMAN.

24 CHAIRMAN PENNINGTON: MR. JONES.

25 BOARD MEMBER JONES: THE SYSTEM THAT'S IN



1 PLACE NOW, I'M SURE YOU'VE GOT A LOT OF CUSTOMERS THAT
2 YOU -- WHEN YOU'RE SELLING YOUR PRODUCT, YOU'RE GIVING
3 THEM AN IDEA WHAT THE QUALITY OF THAT PRODUCT IS.
4 THEY'RE NOT JUST BUYING IT SIGHT UNSEEN. WHEN SOMEBODY
5 PUTS OUT A MULCH MATERIAL AND CALLS IT COMPOST, DOES
6 THAT HELP YOUR INDUSTRY?

7 MR. ANDERSON: NO.

8 BOARD MEMBER JONES: THERE HAS TO BE SOMETHING
9 THAT PROTECTS THE BUYER.

10 AND THEN IT WAS INTERESTING. YOU KNOW,
11 WE'VE GOT THREE BAGS HERE. WE'VE GOT A FINISHED, AND
12 WE'VE GOT -- WE'VE GOT TWO FINISHED AND WE'VE GOT ONE
13 THAT'S DIRTY. AND ONE OF YOUR COMMENTS WAS THAT YOU
14 ACCEPT MATERIAL THAT ISN'T -- OR THAT YOU HAVE A
15 PROBLEM WITH THE FEEDSTOCK, THAT IT'S NOT CLEANED UP
16 ENOUGH BY WHOEVER IS SUPPLYING IT TO YOU.

17 MR. ANDERSON: WE DON'T HAVE A PROBLEM AT OUR
18 FACILITY. IT IS A PROBLEM THAT WE ARE VERY FAMILIAR
19 WITH AT OTHER FACILITIES.

20 BOARD MEMBER JONES: BECAUSE IT WOULD SEEM
21 LIKE THE FACILITY OPERATOR WOULD SET THE STANDARDS FOR
22 THE MATERIAL THAT'S COMING IN TO THEM AS A FEEDSTOCK.

23 MR. ANDERSON: IT WOULD SEEM THAT WAY, BUT IF
24 YOU LOOK AT LARGE-SCALE MUNICIPAL CONTRACTS, HOW MUCH
25 POWER DOES THE OPERATOR HAVE? AND I THINK THAT'S A



1 QUESTION THAT NEEDS TO BE ADDRESSED BY THIS GROUP.

2 BOARD MEMBER JONES: WELL, AN OPERATOR HAS THE
3 POWER TO BUY A SCREEN THAT TAKES THIS MATERIAL AND
4 SCREENS IT AFTER IT'S GONE THROUGH THE PROCESS SO THAT
5 IT ENDS UP LIKE THIS. I MEAN THAT'S JUST PRETTY BASIC
6 OPERATING. SO, YOU KNOW, I MEAN WHILE I DON'T LIKE
7 SEEING DIRTY FEEDSTOCK, IT'S THE OPERATOR OF THE
8 PROCESSING FACILITY THAT CAN TELL THE SUPPLIER OF THE
9 MATERIAL HOW IT NEEDS TO BE. THEY MAY HAVE CONSTRAINTS
10 ON THEIR OPERATING BUDGET AS TO HOW THEY'RE GOING TO
11 COLLECT IT, BUT THE OPERATOR CAN ALWAYS PUT A SCREEN IN
12 TO MAKE SURE THAT WHAT COMES OUT COMES OUT QUALITY.

13 MR. ANDERSON: YES. THE QUESTION IS -- THE
14 ISSUE IS THAT THE BEST WAY TO DO IT AND THE MOST
15 COST-EFFECTIVE WAY TO DO IT IS TO MAKE SURE THAT
16 CONTAMINANTS DON'T GET INTO THE WASTESTREAM. AND ALL
17 I'M SUGGESTING BY MY COMMENTS IS THAT IF THE STATE AND
18 THIS AGENCY IS GOING TO BE PROVIDING ASSISTANCE TO HELP
19 GROW THIS INDUSTRY, THAT THAT'S ONE OF THE THINGS THAT
20 WE THINK YOUR STAFF SHOULD BE DOING WHEN YOU WORK WITH
21 LOCAL JURISDICTIONS IS TO PUT AN EMPHASIS ON SAYING IF
22 YOU ARE GOING TO DO A CURBSIDE PROGRAM, THESE ARE THE
23 THINGS THAT YOU SHOULD BE DOING TO MAKE SURE THAT WE'RE
24 PROVIDING A CLEAN FEEDSTOCK. THAT'S ALL.

25 BOARD MEMBER JONES: EITHER THAT OR WE HAVE AN



1 RMDZ LOAN PROGRAM THAT WE CAN LEND YOU THE MONEY TO BUY
2 THE SCREENS.

3 MR. ANDERSON: LET'S NOT GO THERE RIGHT NOW.

4 BOARD MEMBER JONES: WHY? THAT IS THE PLACE
5 TO GO. WE'VE GOT FIVE MILLION A YEAR WE'RE WILLING TO
6 LEND. WE JUST NEED PEOPLE WALKING THROUGH THE DOOR.

7 BOARD MEMBER FRAZEE: I WAS JUST GOING TO
8 SUGGEST THAT SCREENS DIDN'T DO MUCH GOOD AT PACIFIC
9 SOUTHWEST FARMS.

10 BOARD MEMBER JONES: NEVER GOT TO THE
11 TRAMMELS, I DON'T THINK.

12 MR. ANDERSON: THANK YOU, MR. CHAIRMAN.

13 CHAIRMAN PENNINGTON: I SEEM TO HAVE FOULED UP
14 HERE, BUT WE'LL GO AHEAD. I DIDN'T REALIZE YOU HAD
15 MORE TO ITEM 41.

16 MR. CHANDLER: I DON'T KNOW WHAT THE NUMBERS
17 ARE, BUT WE HAVE MORE OF A STAFF PRESENTATION.

18 CHAIRMAN PENNINGTON: I'M SORRY. I DID NOT
19 REALIZE THAT. I THOUGHT WE WERE ABOUT TO MOVE ON TO
20 40. GO AHEAD, EVAN.

21 MR. EDGAR: THANK YOU, CHAIRMAN AND BOARD
22 MEMBERS. MY NAME IS EVAN EDGAR, OF EDGAR ASSOCIATES,
23 REPRESENTING THE CALIFORNIA REFUSE REMOVAL COUNCIL.
24 I'M HERE TODAY TO SUPPORT MANY OF THE CONCEPTS WITHIN
25 THE PLAN AND OFFER SOME ADVICE HERE AND THERE AND SOME



1 MODIFICATIONS, IF POSSIBLE.
2 I REPRESENT 20 PERMITTED COMPOST
3 FACILITIES STATEWIDE. I'VE BEEN IN FRONT OF THIS WASTE
4 BOARD OVER THE LAST FIVE YEARS ON THIS ORGANIC ODYSSEY.
5 I DON'T HAVE TOO MANY BELLS OR WHISTLES TODAY. I'M
6 JUST GOING TO HAVE SOME BAD HUMOR AND SOME OTHER TRICKS
7 IN ORDER TO INFORM YOU OF MY TESTIMONY TODAY.
8 FIRST I WANT TO START WITH TARGET NO. 1.
9 UNDER TARGET NO. 1, WE HIGHLY SUPPORT THAT. I KNOW MR.
10 JONES AND GRASSCYCLING AND TREVOR HAS BEEN VERY ACTIVE
11 WITH GRASSCYCLING IN L.A. AND BEYOND, SO TARGET NO. 1
12 IS A GREAT TARGET. WE DO SUPPORT THAT.
13 TARGET NO. 2 IS ANOTHER EMERGING TREND.
14 MANY OF OUR FACILITIES AND MANY OF OUR COLLECTION
15 OPERATORS ARE GETTING INTO FOOD WASTE COLLECTION,
16 SEPARATE COLLECTION. WE'VE BEEN GETTING SOME GRANTS IN
17 SOME OTHER COMMUNITIES TO DO IN-VESSEL FOOD WASTE
18 COMPOSTING. IT'S A GREAT EMERGING TREND, AND WE WOULD
19 SUPPORT THE WASTE BOARD GETTING MORE INVOLVED WITH
20 THAT. AND YESTERDAY THERE WAS A CONTRACT CONCEPT THAT
21 WE WOULD SUPPORT AS WELL TO FACILITATE THE DEVELOPMENT
22 OF FOOD WASTE COMPOSTING.
23 THE TARGET NO. 3, I'D LIKE TO OFFER SOME
24 ADVICE ON 3.2 BECAUSE RIGHT NOW IT TALKS ABOUT THE
25 LEVEL OF ACCEPTABILITY OF MRF'S AND CURBSIDE GENERATED



1 FEEDSTOCK. I BELIEVE THOSE ARE TWO SEPARATE ISSUES.
2 WHAT WE GET AT THE CURB AS PART OF THE GREEN WASTE
3 COLLECTION PROGRAM IS USUALLY CLEAN. IT'S YARD
4 TRIMMINGS, AND THAT HAS A WHOLE DIFFERENT SET OF
5 CONTAMINATION PROBLEMS THAT ARE ACHIEVABLE IN THE NEAR
6 TERM AND CAN BE DONE AND HAVE BEEN FOR YEARS.
7 I'D LIKE TO OFFER 3.3, WHICH WOULD BE
8 ACCEPTABILITY OF MRF-GENERATED GREEN WASTE. THAT'S A
9 WHOLE NOTHER ISSUE AS WE'VE SEEN DOWN IN ORANGE COUNTY
10 AND WHAT WENT OUT TO PACIFIC SOUTHWEST FARMS. THOSE
11 ARE MRF RESIDUALS, AND THAT TYPE OF COMPOSTABLE
12 MATERIAL HAS A WHOLE DIFFERENT SET OF PROBLEMS. SO I'D
13 JUST LIKE TO AGGREGATE THOSE TWO BECAUSE I THINK YOUR
14 SURVEY SHOULD ASK THOSE TWO SEPARATE QUESTIONS: WHAT
15 IS CURBSIDE GENERATED GREEN WASTE AND WHAT IS MRF
16 RESIDUALS?
17 I'D LIKE TO REFERENCE THE ORANGE COUNTY
18 GRAND JURY REPORT. THE ORANGE COUNTY GRAND JURY REPORT
19 SAYS THAT MORE OF THESE FACILITIES SHOULD GO SEPARATE
20 AT THE CURBSIDE, AND WE WOULD SUPPORT THAT CONCEPT, AS
21 WE HAVE FOR YEARS.
22 AND I THINK MR. RELIS IS DOWN IN ORANGE
23 COUNTY DOING THAT JUST NOW. THAT'S HIS NEW ROLE WITH A
24 COMPANY CALLED CR&R, TO WORK WITH THE ORANGE COUNTY
25 PEOPLE TO GO SOURCE SEPARATED AT THE CURB.



1 ONE OF THE MISCONCEPTIONS I SEE HERE IS
2 UNDER TARGET 3 IS A HEADING THAT TALKS ABOUT THE
3 MARKETABILITY OF PRODUCTS MADE FROM COMPOSTABLE ORGANIC
4 MATERIALS. AS YOU KNOW, NOT ALL ORGANIC MATERIALS ARE
5 COMPOSTED. ONE AS BEING MULCH. AND MULCH IS NOT A
6 COMPOST MATERIAL. SO IT'S KIND OF A MISNOMER THERE TO
7 SAY CREATING MARKETS FOR ALL COMPOSTED AND ORGANIC
8 MATERIALS; WHEREAS, A LOT OF MATERIALS OUT THERE ARE
9 NOT ACTUALLY COMPOSTED. I'LL TALK MORE ABOUT THAT
10 LATER.
11 TARGET NO. 4 USES THE SAME MISNOMER ABOUT
12 COMPOSTED ORGANIC MATERIAL, BUT A LOT OF THAT COULD BE
13 CLEANED UP WITHIN THE UPCOMING REGULATORY PACKAGE UNDER
14 4.1. ONE OF THE IDEAS THAT CALTRANS HAS IN THEIR
15 SPECIFICATION IS TO HAVE A COMPOSTED MULCH, AND THAT'S
16 ONE OF THE ISSUES ASSESSMENT THAT WE COULD ADDRESS IN
17 UPCOMING ORGANICS REGULATORY PACKAGE IS DOES MULCH NEED
18 TO BE COMPOSTED? DO WE NEED TO HAVE A PATHOGEN REDUCED
19 WEED SEED KILL TYPE OF MULCH OUT THERE IN ORDER TO ADD
20 TO THE FARMER'S FIELDS TO GO TO EROSION CONTROL
21 PROJECTS, TO GO TO CALTRANS. THAT'S A GREAT ISSUE
22 ASSESSMENT THAT WE COULD TALK ABOUT. DOES MULCH NEED
23 TO BE COMPOSTED PRIOR TO ENTERING THE MARKETPLACE.
24 ANOTHER ONE IS SB 675. THERE'S BEEN A
25 LOT OF WORK UNDER AB 59 BACK IN 1995-96 TO HAVE SOME



1 TYPE OF ODOR CONTROL STANDARDS IN ORDER TO STREAMLINE
2 ENFORCEMENT FROM THE APCD'S WHO HAVE ZERO TOLERANCE TO
3 THE LEA'S WHO HAVE A BETTER UNDERSTANDING OF COMPOST.
4 WE SUPPORTED AB 59, AND WE HAD IT REAUTHORIZED IN 1996
5 CALLED SB 675, COSTA, FOR ANOTHER FOUR YEARS. WE NEED
6 TO GET ODOR STANDARDS OUT. WE NEED TO HAVE A WORKING
7 GROUP. WE NEED FUNDING. WE SUPPORT THE CONTRACT
8 CONCEPT THAT WAS UP YESTERDAY TO GET \$80,000 FOR SB 675
9 FOR ODOR CONTROL STANDARDS. THAT IS NEEDED.
10 PLUS, WE WOULD UNDER THE ISSUE
11 ASSESSMENT, I THINK CHIP AND SHIP AND SLOTTING OF
12 DIFFERENT FACILITIES WITHIN THE NEW ORGANIC REGS IS AN
13 ISSUE ASSESSMENT. AND, OF COURSE, THE CONCEPT OF
14 MARKET PRODUCT WAS ONE ISSUE THAT WAS DEFERRED AT THE
15 LAST SET OF HEARINGS.
16 THOSE ARE SOME BULLETS I THINK THAT
17 SHOULD BE HIGHLIGHTED WITHIN 4.1. ANOTHER QUESTION I
18 HAVE IS UNDER 4.3 TALKS ABOUT LEVEL OF BUSINESS
19 OPPORTUNITIES. AND THAT -- WHAT I HAVE UP THERE IS A
20 CHART THAT MR. FITZ PUT TOGETHER A YEAR AGO, WHICH I
21 WANT TO MAKE T-SHIRTS OUT OF, IS PERMITS, MARKETS, AND
22 COLLECTION AND PROCESSING. I THINK EARLIER THE
23 FACILITY PRESENTATION BY THE FACILITY COMPLIANCE
24 PROGRAM HITS UPON THAT. WE NEED TO HAVE THAT
25 LINKAGES. WE NEED TO -- IN ORDER TO PROMOTE THE LEVEL



1 OF BUSINESS OPPORTUNITY OUT THERE, I THINK THE WASTE
2 BOARD SHOULD BE IN A POSITION ON ONLY PROMOTING PEOPLE
3 THAT HAVE THE COMPLIANCE. YOU SHOULDN'T BE PROMOTING A
4 GROUP OF PEOPLE OUT THERE THAT MAY NOT HAVE
5 COMPLIANCE.
6 AND THERE'S A COMPOSTED MULCH SOURCE LIST
7 OUT THERE, AND FOR THE LAST COUPLE YEARS, AS INDICATED
8 IN MY LETTER I SUBMITTED OF RECORD ON AUGUST 25, 1997,
9 WHICH I HAVE AGAIN TODAY, THAT WE'RE TRYING OUR BEST TO
10 HAVE TWO LISTS OUT THERE BECAUSE I THINK THERE'S A
11 DIFFERENCE BETWEEN COMPOST AND MULCH. I DON'T THINK
12 IT'S EXTRA WORK ON BEHALF OF WASTE BOARD STAFF TO HAVE
13 TWO LISTS, ONE COMPOST THAT HAS THAT LINKAGE INTO TITLE
14 14 COMPLIANCE AND A MULCH LIST THAT SHOULD HAVE SOME
15 LINKAGE INTO TITLE 14 COMPLIANCE, AND SO THAT WHEN
16 PEOPLE DO PHONE UP, THERE'S A DIFFERENCE BETWEEN
17 COMPOST AND MULCH IN TODAY'S MARKETPLACE. IN THE
18 FUTURE, AS WE ADDRESS COMPOST AND MULCH, MAYBE THAT
19 LIST COULD BE RECOMBINED.
20 SO I'D LIKE TO ONCE AGAIN RECOMMEND THAT
21 MAYBE WE COULD HAVE TWO LISTS OUT THERE IN ORDER TO
22 PROMOTE THE LEVEL OF BUSINESS OPPORTUNITIES TO
23 BUSINESSES THAT COMPLY WITH TITLE 14 IN ORDER TO
24 ACHIEVE THE LINKAGES WE ALL DESIRE.
25 I THINK TARGET NO. 4 REALLY COULD

60



1 INTEGRATE DIVERSION GOALS WITH FACILITY COMPLIANCE.
2 THAT'S BEEN THE MAJOR THEME HERE ON THE LAST
3 PRESENTATION IS TO INTEGRATE THE DIVERSION GOALS WITH
4 FACILITY COMPLIANCE, SO WE WOULD HIGHLY RECOMMEND THAT
5 TYPE OF THEME BEING ADDED TO 4.3.
6 I HAVE A NEW TARGET. I CALL IT 4.5, AND
7 IT GOES TO ALL MARKETPLACES THAT MR. DANNY EATON
8 POINTED OUT WITH REGARDS TO DIFFERENT MARKET CHOICES.
9 CRRC HAS ALWAYS BEEN PRO CHOICE ON THE MARKET
10 DEVELOPMENT OF ORGANIC MATERIAL. WE NEVER WAVERED ON
11 THAT. AND WHEN WE TALK ABOUT THAT, WE LOOK AT ALL
12 MARKETS. WE TALK ABOUT THE LOW END MARKET, WHICH IS
13 ADC, THE VOLUME MARKET, WHICH IS A MULCH MARKET, AND
14 THE VALUE MARKET, WHICH IS A COMPOST MARKETPLACE.
15 WHEN YOU LOOK AT THE LOW END MARKET OF
16 ADC, WE SUPPORTED THE CONCEPT OF ADC. WE SUPPORTED THE
17 BILL AB 1647, BUSTAMONTE, AND AS PART OF THAT POLICY
18 DISCUSSION SINCE 1993, WE LOOKED AT WHAT IS THE IMPACT
19 OF THE COMPOST? AND THE WASTE BOARD HAS BEEN TRACKING
20 THAT. I SAT DOWN WITH LORRAINE BACK IN 1994 AND MADE A
21 PROJECTION THAT UP TO A MILLION TONS OF GREEN WASTE
22 COULD GO TOWARDS ADC. THAT'S A CAP. AND LOOKING AT
23 THE ACTUAL RECORDS, IN 1995 IT WAS 380,000 TONS, 1996
24 ABOUT, WHAT, 560,000 TONS PER YEAR, IN 1997 IT LEVELED
25 OUT AT 620,000 TONS PER YEAR.



1 BOARD MEMBER CHESBRO: THAT'S HOW MUCH IS
2 GOING TO ADC?

3 MR. EDGAR: CORRECT. GREEN WASTE ADC. SO I
4 THINK THAT WE CAN MAKE THAT -- WITH 10 MILLION TONS OF
5 GREEN WASTE OUT THERE IN THE MARKETPLACE, I THINK WE
6 CAN MAKE THE CONCLUSION THAT ADC HAS NOT HURT THE
7 COMPOST INDUSTRY. THERE MAY BE SOME SELECTIVE MARKET
8 ZONES IN L.A. WHERE THERE'S MAYBE SOME TIPPING FEE
9 PRICING AT SOME MAJOR LANDFILLS THAT HURT THE LOCAL
10 MARKETPLACE, BUT ON A STATEWIDE ASPECT, I DON'T SEE ADC
11 HURTING THE COMPOST INDUSTRY.
12 ANOTHER ASPECT IS THAT WE WERE SUPPOSED
13 TO LOOK AT ADC WITH REGARDS TO FUNCTIONAL USE. IT WAS
14 A FUNCTIONAL USE PROPOSAL. AND WE'RE GOING TO FOLLOW
15 UP AND LOOK AT ANY ADC ABUSE. IS THERE TOO MUCH ADC
16 BEING PUT ON CERTAIN LANDFILLS STATEWIDE? I BELIEVE
17 THAT YOU HAVE THE NUMBERS TO GO THROUGH THAT ANALYSIS.
18 I BELIEVE THERE'S A LANDFILL IN YOLO COUNTY THAT MAY
19 HAVE SOME LOW ADC ABUSE, AND THERE'S A LANDFILL IN
20 SANTA CLARA COUNTY HAS SOME ADC ABUSE. IF YOU JUST RUN
21 THE NUMBERS FROM BOE, RUN THE NUMBERS FROM THE ADC, AND
22 THE NUMBERS DON'T ADD UP. THEY'RE PUTTING WAY TOO MUCH
23 ON. SO I THINK THAT AS PART OF THE MARKET ASSESSMENT,
24 THERE ARE SOME MARKET ZONES THAT YOU CAN LOOK AT ADC
25 ABUSE.



1 AS PART OF 4.5, WE TALK ABOUT THE VOLUME
2 MARKET AND VALUE MARKETS. I BELIEVE THAT WIDER MARKETS
3 ASSESSMENT THAT MR. EATON TALKED ABOUT IS THERE.
4 TARGET NO. 5 IS TO INCREASE USE OF
5 COMPOST IN LANDSCAPING. WELL, WE CAN GO BEYOND THAT
6 TOO. IT CAN BE NURSERYMEN, IT CAN BE A WHOLE SERIES OF
7 MARKETS BEYOND WHAT LANDSCAPING. IT'S WIDE OPEN OUT
8 THERE WITH REGARDS TO USING COMPOST AND COMPOSTED MULCH
9 FOR EROSION CONTROL FOR NURSERYMEN, ETC.
10 AND 5.2 TALKS ABOUT THE LEVEL OF USE OF
11 PRODUCT SPECIFICATIONS AND GUIDELINES. WHAT CCQC HAS
12 DONE, AND I'M HERE ON BEHALF OF CCQC ON THIS SECTION,
13 AND WILL BAKX WILL BE SPEAKING LATER ON BEHALF OF THE
14 CALIFORNIA COMPOST QUALITY COUNCIL AS THE PAST
15 CHAIRMAN. I'M THE CURRENT CHAIRMAN. WE'VE BEEN
16 WORKING ON PRODUCTS GUIDELINES FOR MANY YEARS. AND
17 WHAT WE HAVE IS A VOLUNTARY PROGRAM IN THE STATE OF
18 CALIFORNIA. AS PART OF THE 4.1, STATUS OF ORGANIC
19 REGULATIONS, SINCE 1993 AND 1995, WASTE BOARD DID NOT
20 WANT TO GET INTO PRODUCT SPECIFICATIONS, AND THEY
21 SHOULDN'T.
22 AND SO WHAT WE'VE DONE ON A VOLUNTARY
23 BASIS SINCE 1995, WITH THE COMPOST AG STEERING
24 COMMITTEE THAT THE WASTE BOARD HAD FROM '93 TO '95, WAS
25 DEVELOP SOME SPECIFICATIONS. AND THE SPECIFICATIONS



1 HAVE TO DO WITH DISCLOSURE. AND IN THIS DISCLOSURE
2 PROCESS, WE DON'T CERTIFY ANYTHING. CERTIFY HAS A
3 CONNOTATION OF SOME LEGAL ASPECTS, AS MR. ERIC ANDERSON
4 POINTED OUT, BUT WHAT WE DO WE VERIFY. WE VERIFY THAT
5 THESE VOLUNTARY COMPOST PRODUCERS ARE DISCLOSING SOME
6 KEY PARAMETERS SO THAT THE USER OF THE COMPOST CAN MAKE
7 INFORMED CHOICES, SUCH AS THE COMPOSTING COUNCIL IS
8 PROMOTING. WE PROVIDE INFORMATION TO THE END USERS TO
9 USE.
10 AND I THINK THAT ONE THING THAT A LOT OF
11 APC MEMBERS ARE AFRAID TO DISCLOSE IS MAYBE THEIR
12 FEEDSTOCK, AND THAT'S A WHOLE NOTHER ISSUE THAT YOU
13 GUYS WILL BE ADDRESSING WITH THE BIOSOLIDS REGULATORY
14 PACKAGE IN A FEW MONTHS BUT THE REST OF THE CCQC
15 ASPECTS I WILL DEFER TO MR. WILL BAKX WHO WILL BE NEXT
16 AFTER ME.
17 THE GOAL OF REACHING OUT TO 30 DIFFERENT
18 PRODUCERS BY THE YEAR 2000 IS ACHIEVABLE. RIGHT NOW WE
19 DO HAVE FOUR -- WE HAVE THREE VERIFIED PRODUCERS.
20 WE'LL HAVE TEN BY THE END OF THE YEAR, AND WE WILL HAVE
21 30 BY THE YEAR 2000. WE HAVE REACHED OUT TO THE PUBLIC
22 SECTOR, OUT TO SWANA REPRESENTATIVES, AND TO OFFER THEM
23 SOME OPPORTUNITIES TO SIT ON OUR BOARD, AND WE'RE IN
24 DISCUSSIONS WITH SWANA AND SOME OTHER FOLKS IN THE
25 PUBLIC SECTOR.



1 THE REASON WE'RE REACHING OUT TO THEM IS
2 THAT WE BELIEVE THAT WE CAN ASSIST THEM IN DEVELOPING A
3 GREEN BOOK SPECIFICATION. AND WHAT THAT GREEN BOOK
4 SPECIFICATION WOULD DO IS GIVE THE COUNTY PUBLIC WORKS
5 DIRECTORS, COUNTY PARKS AND REC SOME TYPE OF
6 SPECIFICATION, WHICH WE'RE DEVELOPING AND GETTING
7 BETTER ALL THE TIME, SO THEY CAN USE IT WITHIN THEIR
8 DISTRICTS. WE WANT TO GIVE THEM TO THE RMDZ LOAN
9 COORDINATORS, GIVE THEM TO RCD DISTRICTS. I THINK
10 THERE'S A GREAT OPPORTUNITY TO DEVELOP A GREEN BOOK
11 SPEC FOR COMPOSTED MULCH AND FOR COMPOST IN ORDER TO
12 CLOSE THE LOOP LOCALLY. THE JURISDICTIONS ARE
13 PRODUCING THESE TONS AND TONS OF GREEN WASTE. THERE IS
14 NO REASON WHY THESE SAME JURISDICTIONS WITH RMDZ
15 COORDINATORS AND RCD PEOPLE WITHIN THE AG COMMUNITY TO
16 HAVE SOME TYPE OF GREEN BOOK SPEC TO USE FOR THE
17 COMPOST LOCALLY. SO WE WILL HIGHLY PROMOTE THE
18 DEVELOPMENT OF SPECIFICATIONS IN 5.2.
19 AND LAST YEAR WE SUPPORTED A \$40,000
20 CONTRACT CONCEPT TO DO THAT, AND WE APPLIED FOR THAT;
21 HOWEVER, THAT WASN'T FUNDED FOR '97-'98. AND WE HIGHLY
22 RECOMMEND THAT COMPOST SPECIFICATIONS BE PUT INTO THE
23 '98-'99 CONTRACT CONCEPTS. SO WE WILL BE PROMOTING
24 THAT AS WELL.
25 AND LAST BUT NOT LEAST IS TARGET NO. 6 IS



1 GOING TO THE AGRICULTURAL SECTOR. AND WHAT STARTED OUT
2 WITH THE COMPOST AG STEERING COMMITTEE WAS LOOKING AT
3 MOVING 10 MILLION TONS OUT TO THE AG MARKETPLACE. AND
4 SINCE THAT TIME WE GOT MORE DIVERSE WITH REGARDS TO ON
5 THE CCQC BOARD WITH GOING TO MULTIPLE END USERS. WE
6 HAVE THE CALIFORNIA LANDSCAPE CONTRACTORS ASSOCIATIONS,
7 THE ORGANIC SUPPLY ASSOCIATION. AND EX-OFFICIO THERE'S
8 CALTRANS, CDFA. SO WE DO HAVE A MULTITRADE ASSOCIATION
9 WITH BOTH END USERS AT THE TABLE AS WELL AS THE
10 PRODUCERS.
11 WE HAVE A BALANCE OF THE MARKETPLACE
12 BETWEEN THE END USERS AND THE PRODUCERS, SO IN THAT
13 CONSENSUS BUILDING PROCESS, WE BELIEVE THAT WE'RE
14 REACHING THE AGRICULTURAL COMMUNITY BECAUSE WE ARE
15 GIVING WHAT THEY ARE ASKING FOR IN A CONSENSUS BUILDING
16 MANNER WHEN DEVELOPING THE CCQC PROCESS.
17 THAT'S MY PRESENTATION. AND I'D LIKE TO,
18 ONCE AGAIN, PROMOTE THE FACT THAT WORKING TOGETHER, WE
19 MUST WORK TOGETHER IN REGARDS TO PERMITS, COLLECTION,
20 AND MARKETS. AND I'M HERE TO ANSWER ANY QUESTIONS YOU
21 MAY HAVE. THANK YOU.

22 CHAIRMAN PENNINGTON: QUESTIONS OF MR. EVAN
23 EDGAR? THANK YOU. NEXT WE'LL HEAR FROM WILL BAKX.

24 MR. BAKX: THANK YOU FOR YOUR TIME. I'M KIND
25 OF IN THE SAME POSITION AS ERIC WAS. I WAS CALLED



1 YESTERDAY BY CORC TO REPRESENT THEM. DID NOT HAVE A
2 LOT OF TIME TO PREPARE FOR THIS HERE, BUT I'LL CATCH ON
3 REAL FAST.
4 COUPLE THINGS THAT I WANT TO MENTION HERE
5 IS THAT CORC IS VERY MUCH INTERESTED IN PARTICIPATING
6 IN THE GREEN TEAM PERFORMANCE PLAN, GIVING OUR INPUT,
7 TOUCHING BASES WITH OUR ORGANIZATION, OUR MEMBERS, AND
8 MAKE SURE THAT YOU GET THE BEST INFORMATION THAT YOU
9 CAN GET FROM THE COMPOSTERS.
10 COUPLE COMMENTS I WANT TO MAKE IS THINGS
11 THAT HAVE BEEN SAID HERE TODAY ABOUT THE CCQC. I THINK
12 THAT THERE IS A REAL NEED FOR THE CALIFORNIA COMPOSTING
13 QUALITY COUNCIL. IT WAS A DESIRE MADE VERY CLEAR AT
14 MANY CONFERENCES AT THE CORC THAT THERE WAS A NEED FOR
15 THAT, THAT THEY NEEDED AN ORGANIZATION LIKE THIS HERE.
16 I THINK THAT CCQC HAS STILL A LONG WAYS
17 TO GO. IT'S A BABY. IT NEEDS WORK. I THINK THAT WHAT
18 WE HAVE IN PLACE RIGHT NOW IS A BASIC FOUNDATION, BUT
19 IT NEEDS TO BE EXPANDED. AND IN THE WORK THAT HAS BEEN
20 DONE BEFORE CORC CAME -- CCQC CAME IN PLACE, THERE WAS
21 A DIRECTION THAT CCQC NEEDS TO EXPAND THE PARAMETERS
22 THAT ARE REQUIRED RIGHT NOW IN ORDER TO QUALIFY TO BE
23 REGISTERED, NOT CERTIFIED, REGISTERED UNDER CCQC. AND
24 IT IS CORC'S BELIEVE THAT CCQC SHOULD GO AHEAD WITH
25 THAT; HOWEVER, THE PARAMETERS THAT WERE SUGGESTED DID



1 NOT HAVE ENOUGH SCIENTIFIC BASIS TO SAY LET'S MAKE THIS
2 HERE A REQUIREMENT, AND THAT SOME RESEARCH NEEDS TO BE
3 DONE. AND WE WERE WILLING TO WORK WITH UNIVERSITIES TO
4 GET THAT RESEARCH DONE. AND IF YOU ARE SITTING ON
5 MONEY, WE COULD USE THAT.
6 THEN THE NEXT THING IS THAT WHEN YOU LOOK
7 AT A PRODUCT, WHAT MR. ANDERSON MENTIONED IS ABOUT
8 COMPOST, THAT THERE ARE DIFFERENT UTILIZATIONS FOR
9 COMPOST, THAT IS NOT THE TASK OF CCQC.
10 CCQC WILL MAKE SURE THAT THE PARAMETERS
11 THAT THEY HAVE SET FORTH HAVE BEEN MET. IT IS UP TO
12 THE END USER TO CONSULT WITH THEIR LABORATORY OR SOLE
13 SCIENTIST, CONSULTANT, WHOEVER THEY WORK WITH TO
14 DETERMINE WHAT IS THE BEST PRODUCT FOR THEIR USE. THAT
15 IS NOT THE RESPONSIBILITY OF CCQC. IT IS, HOWEVER, THE
16 GOAL OF CCQC TO MAKE AVAILABLE A BROCHURE AT SOME POINT
17 THAT WILL GIVE GUIDELINES WHAT PRODUCTS ARE BEST FOR
18 USE IN DIFFERENT APPLICATIONS, BUT THOSE WILL BE JUST
19 GUIDELINES. THAT IS NOT A RECOMMENDATION. IT IS THE
20 ULTIMATE RESPONSIBILITY OF THE USER TO USE THE MATERIAL
21 THAT THEY'RE UTILIZING.
22 ON THAT NOTE, I'M GOING TO QUIT. THANK
23 YOU FOR YOUR ATTENTION. IF THERE ARE ANY QUESTIONS,
24 LET ME KNOW.
25 CHAIRMAN PENNINGTON: ANY QUESTIONS OF MR.



1 BAKX? OKAY. THANK YOU.

2 BOARD MEMBER CHESBRO: MR. CHAIRMAN, I FORGOT
3 WHEN I CAME IN AT LIKE 9:35 TO ASK THAT THE RECORD SHOW
4 THAT I HAD ARRIVED, SO IF YOU COULD PUT IN THE MINUTES
5 SOMEPLACE EARLY ON THAT -- BECAUSE I KNOW THE ROLL WAS
6 CALLED WITHOUT MY BEING HERE.

7 CHAIRMAN PENNINGTON: OKAY. BE HAPPY TO.
8 I GUESS I'M STILL A LITTLE CONFUSED. DID
9 WE INTERRUPT YOU APPARENTLY?

10 MR. ORR: NO, I'M CONCLUDED WITH MY PORTION
11 OF THE PRESENTATION. WHO'S UP NEXT? MR. SMITH.
12 OKAY.

13 MR. SMITH: GOOD MORNING, KEITH SMITH. WE'RE
14 ADDRESSING AGENDA ITEM NO. 40. THIS AGENDA ITEM IS TO
15 BE PRESENTED BY THE EXECUTIVE DIRECTOR AND WILL PROPOSE
16 A FIVE-MONTH EFFORT TO DEFINE WASTE MANAGEMENT POLICY
17 FOR THE FIRST DECADE OF THE 21ST CENTURY. RALPH'S
18 PRESENTATION WILL LOOK AT WHAT THE BOARD IS DOING TODAY
19 AND THE PROCESS WE PROPOSE TO DEFINE THE FUTURE
20 DIRECTIONS.

21 BEFORE WE START, I'D LIKE TO RECAP, JUST
22 SET THE STAGE A LITTLE BIT AND HIGHLIGHT SOME OF THE
23 BOARD ACTIONS THAT HAVE LAID THE FOUNDATIONS FOR THIS
24 EFFORT. FIRST AND FOREMOST, THE STRATEGIC PLAN
25 DEVELOPED IN THE SPRING OF 1997 ESTABLISHED FOUR GOALS



1 THAT ARE SUMMARIZED ON THE SLIDE AND IN THE MATERIAL
2 BEFORE YOU.
3 THE STRATEGIES THAT WERE ARTICULATED FOR
4 EACH OF THESE GOALS WERE LATER NARROWED DOWN TO THE
5 FOUR PRIORITY AREAS, TWO OF WHICH YOU HAVE HEARD ABOUT
6 TODAY, TWO OF WHICH YOU HEARD ABOUT A COUPLE OF MONTHS
7 AGO. CLEARLY, THE FOCUS OF THE ORGANICS CONSTRUCTION
8 AND DEMOLITION AND LOCAL ASSISTANCE TEAMS LIE IN THE
9 GOAL 2 AREA AND ALSO SUPPORT GOAL 1 AND 4 IN OUR
10 STRATEGIC PLAN. THE FACILITIES COMPLIANCE TEAM, FROM
11 WHICH YOU HEARD THIS MORNING, OBVIOUSLY THE FOCUS OF
12 THAT IS GOAL 3.
13 THE ORIGIN OF THE PROGRAM INTEGRATION
14 PLAN, WHICH IS ANOTHER OF THE FOUNDATIONS ON WHICH
15 WE'VE BEEN BUILDING OVER THE LAST YEAR, WAS A QUESTION
16 POSED BY THE EXECUTIVE DIRECTOR: HOW CAN WE MORE
17 EFFECTIVELY INTEGRATE OUR PROGRAMS? STAFF'S RESPONSES
18 PRODUCED A SERIES OF RECOMMENDATIONS TO MANAGEMENT.
19 MANAGEMENT HAS USED THE ISSUES RAISED TO REDEFINE HOW
20 BUSINESS IN THE ORGANIZATION IS PERFORMED.
21 IF YOU QUICKLY SCAN THROUGH THE
22 LEADERSHIP ISSUES, YOU WILL SEE THAT AT LEAST SIX OF
23 THESE HELP TO DETERMINE THE FORM, RESPONSIBILITY, AND
24 OPERATIONAL METHODOLOGY IN THE CROSS-FUNCTIONAL
25 PRIORITY AREA TEAMS. WE REALLY TOOK A LOOK AT THIS AND



1 ASKED OURSELVES WHAT DO WE HAVE TO DO TO ADDRESS SOME
2 OF THESE ISSUES.
3 WE'RE LEARNING THROUGH THESE TEAMS TO
4 PRACTICE WHAT OUR STAFF PREACH TO US. DEALING WITH
5 CLARITY OF BOARD STAFF RELATIONSHIPS, WE'RE HOPING THAT
6 TODAY'S AGENDA ITEM WILL HELP PROVIDE SOME OF THAT
7 CLARITY OF BOARD ROLE IN THE FUTURE AND SOME CLARITY
8 ABOUT THE DIFFERING ROLES BETWEEN THE BOARD AND THE
9 STAFF HERE.
10 FINALLY, THE TRAINING INITIATIVE THAT WAS
11 MENTIONED IN THE PREVIOUS SLIDE HAS BEEN A FIRST STEP
12 IN PROVIDING THE DEVELOPMENT OPPORTUNITIES. THERE WILL
13 BE MORE TO COME IN THE LEADERSHIP DEVELOPMENT AREA, AND
14 RALPH, I BELIEVE, WILL REFERENCE THIS IN HIS
15 PRESENTATION.
16 THE SECOND AREA IN THE PIP REPORT DEALT
17 WITH COMMUNICATION. AS YOU CAN SEE, THREE OF THESE
18 RECOMMENDATIONS - - THESE THREE RECOMMENDED AREAS ARE
19 HEAVILY ADDRESSED IN OUR CROSS-FUNCTIONAL MANAGEMENT
20 APPROACH EMBODIED IN OUR PRIORITY AREA TEAMS. WE ARE
21 LOOKING TO SHARE INFORMATION WITHIN AND BETWEEN THE
22 DIVISIONS. WE'RE LOOKING TO ENHANCE THE RELATIONS WITH
23 THE CUSTOMERS. YOU'VE HEARD FROM EACH OF THE TEAMS THE
24 OUTREACH EFFORTS THEY'VE BEEN MAKING AND WILL CONTINUE
25 TO MAKE AS THEY PUSH FORWARD WITH THE PRIORITY AREAS.



1 THE THIRD AREA IN THE PIP REPORT WAS
2 EXTERNAL COMMUNICATIONS. AS YOU CAN SEE, THE AREAS ARE
3 CLOSELY LINKED TO THE CUSTOMERS WHICH WE ARE SERVING.
4 WE ARE STEPPING OUT IN EACH OF THESE TEAMS. WE ARE
5 WORKING WITH STAKEHOLDERS. I'D PARTICULARLY LIKE TO
6 ACKNOWLEDGE, ALTHOUGH THEY DID LEAVE A LITTLE EARLIER,
7 THE LOCAL GOVERNMENT TECHNICAL ADVISORY COMMITTEE WERE
8 HERE YESTERDAY AND TODAY. THEY HAVE BEEN MEETING WITH
9 TEAM MEMBERS. THEY HAVE BEEN DISCUSSING THEIR
10 PARTICIPATION IN SOME OF THESE ALREADY, PARTICULARLY
11 THE LOCAL ASSISTANCE ONE. AND WE LOOK FORWARD TO
12 THAT. WE ALSO LOOK FORWARD TO OFFERS OF HELP AND
13 ASSISTANCE WE'VE HEARD FROM EVAN AND OTHERS TODAY.
14 FINALLY, THE PIP DEALT WITH THE
15 ORGANIZATIONAL PROCESSES. WE JUST MENTION A COUPLE OF
16 THESE THAT WE'VE DONE. OBVIOUSLY OUR TELEPHONE
17 DIRECTORY IS NOW CURRENT AND AVAILABLE, BUT I'D JUST
18 LIKE TO POINT OUT ONE OTHER THING THAT WE'VE TRIED TO
19 BUILD ON AND IMPROVE OUR INTERNAL PROCESSES. WE'VE
20 TAKEN A BROADER VIEW TO THE AGENDA ITEMS. WE ARE CLOSE
21 TO MAKING AVAILABLE ALL THE BOARD SUBCOMMITTEE AND FULL
22 BOARD AGENDA ITEMS ON THE INTERNET. WE HOPE TO MAKE
23 THOSE AGENDA ITEMS AVAILABLE ELECTRONICALLY INTERNALLY
24 FIRST ON THE BOARDNET, SECONDLY ON THE INTERNET SO THAT
25 WE CAN STOP CHARGING FOR THESE. THIRDLY, WE HOPE TO



1 MAKE THEM AVAILABLE AT THE DAIS HERE AND TO BE ABLE TO
2 PRESENT THEM UP HERE SO WE CAN DISPLAY.
3 COUPLE OF COMMENTS ABOUT PROJECT - -
4 PARTNERSHIP 2000. I SKIPPED BY THAT. PARTNERSHIP 2000
5 WAS OUR EARLY EFFORT TO PARTNER WITH THE SOME OF OUR
6 EXTERNAL CONSTITUENCIES. WE HEAVILY INVESTED IN
7 FORMING PARTNERSHIPS WITH LEA'S, WITH TRAINING BETWEEN
8 THE LEA'S AND OURSELVES, LOOKING AT TRAINING ON THE
9 APPROPRIATE ROLE THAT WE PLAY, UNDERSTANDING THE ROLE
10 THE LEA'S PLAY, AND BANDING TOGETHER TO PRESENT
11 TRAINING THAT COULD BE OF MUTUAL BENEFIT TO BOTH OF
12 US.
13 IF YOU LISTENED TO DOROTHY'S PRESENTATION
14 THIS MORNING, VERY CLEARLY WE'RE SEEING AN EXPANSION OF
15 THAT PARTNERSHIP 2000. I THINK THE POINT I WANT TO
16 MAKE BEFORE WE START IS THAT THE BOARD HAS BEEN ACTIVE
17 IN BOTH SETTING THE IMMEDIATE DIRECTION THROUGH ITS
18 STRATEGIC PLAN, THROUGH THE PRIORITY AREA TEAMS, AND
19 BUILDING THE INTERNAL PROCESSES NEEDED TO KEEP THE
20 ORGANIZATION FAST AND FLEXIBLE. I THINK THE STAGE HAS
21 BEEN SET TO EFFECTIVELY EMBARK UPON THE NEXT ACT, WHICH
22 IS DETERMINING THE WASTE MANAGEMENT POLICY FOR THE 21ST
23 CENTURY. AND FOR THAT PRESENTATION, I WANT TO TURN THE
24 PODIUM OVER TO RALPH CHANDLER, THE EXECUTIVE DIRECTOR.
25 MR. CHANDLER: THANKS, KEITH. GOOD MORNING.



1 I THINK WE'RE -- HANG IN THERE WITH ME. WE'RE JUST
2 ABOUT THROUGH THIS MORNING. I THINK I'VE GOT ANOTHER
3 20 MINUTES OR SO WITH YOU, BUT I THINK THIS IS A VERY
4 IMPORTANT SUBJECT AREA I'D LIKE TO GET INTO AND GET A
5 DIALOGUE GOING WITH THE BOARD.
6 BEFORE WE START, LET ME JUST SAY I HAVE
7 NO FANCY VIDEOS, NO SONGS FROM THE PAST, BUT I HAVE TO
8 SAY I WAS CERTAINLY IMPRESSED AND PLEASED WITH THE
9 PRESENTATIONS BY THIS MORNING'S TEAMS.
10 JUST SO YOU KNOW WHERE WE'RE KIND OF
11 GOING WITH THIS A LITTLE BIT, IN CASE YOU ARE NOT
12 AWARE, WE ARE ACTUALLY DOING A DIRECT VIDEO FEED FROM
13 THE BACK ROOM AND EXPERIMENTING WITH GETTING THIS BOARD
14 SETTING ON THE DESKTOPS, AND WE HOPE EVENTUALLY TO BE
15 ABLE TO CARRY THAT FUNCTION OUT TO WHERE OUR BOARD
16 MEETINGS WILL BE ABLE TO BE NOT ONLY PICKED UP BY STAFF
17 ON THEIR COMPUTERS, BUT WILL BE PUT OUT ON THE
18 INTERNET, IF WE SO CHOOSE, SO THAT OUR STAKEHOLDERS OUT
19 THERE CAN ALSO PICK UP BOARD MEETINGS.
20 AS YOU UNFORTUNATELY KNOW, WE WENT OFF
21 LINE EARLIER. AND I ASKED THE TECHNICIAN WHY DID WE
22 BOUNCE OFF LINE AND ASKED FOR A DIAGNOSIS FROM THE
23 ROOM. AND THEY FOUND OUT THAT IT WAS DAN'S TIE THAT
24 ACTUALLY KICKED US OFF LINE. SO IF WE DO GO IN THIS
25 DIRECTION, WE MAY HAVE TO ASK YOU TO TONE IT DOWN, MR.



1 PENNINGTON.

2 CHAIRMAN PENNINGTON: OR GET A FILTER.

3 MR. CHANDLER: OR GET A FILTER. SO ANYWAY,
4 LET ME JUST BUILD ON A LITTLE BIT OF THE FOUNDATION.
5 THIS MORNING YOU'VE HEARD FROM OUR SECOND OF TWO TEAMS,
6 AS KEITH INDICATED. COUPLE OF BOARD MEETINGS AGO WE
7 HAD OUR EARLIER TWO TEAMS, AND HE'S JUST PROVIDED SOME
8 RECENT HISTORY THAT KIND OF BUILDS THE FOUNDATION FOR
9 SOME OF OUR PAST WORK. SOME OF THE FOUNDATION WAS
10 INTERNAL TO THE ORGANIZATION, OUR STRATEGIC PLAN, THE
11 PARTNERSHIP 2000, AND SOME EFFORTS WERE CLEARLY
12 EXTERNAL, SUCH AS OUR EXTERNAL TRAINING INITIATIVE,
13 LANDFILL OPERATOR CERTIFICATION, AND AS I JUST
14 INDICATED, ENHANCEMENTS TO OUR WEB SITE TO ASSIST OUR
15 STAKEHOLDERS.

16 FOR THE REST OF THIS MORNING'S
17 PRESENTATION, I'D LIKE TO PROPOSE TO YOU AN INITIATIVE
18 WHICH I REFER TO AS "DEFINING THE PUBLIC POLICY AGENDA
19 FOR INTEGRATED WASTE MANAGEMENT INTO THE 21ST CENTURY."
20 IT'S MY CONTENTION THAT THE BOARD, AND SPECIFICALLY YOU
21 AS APPOINTED MEMBERS, CAN CONTRIBUTE SIGNIFICANTLY TO
22 SHAPING THE ARCHITECTURE OF THIS AGENDA INTO THE FUTURE
23 AND TO DO SO WITH AN EYE ON WHAT WE'VE LEARNED OVER THE
24 PAST SEVEN TO EIGHT YEARS, AS WELL AS LOOKING BEYOND
25 THE CONFINES OF AB 939 AND THE CURRENT PROGRAMS OF



1 WASTE MANAGEMENT AND THE CURRENT POLICIES.
2 BUT WHAT THIS IS REALLY ABOUT IS
3 LEADERSHIP, YOUR LEADERSHIP TO HELP PAINT THE LANDSCAPE
4 FOR THE FUTURE. WHAT IT'S REALLY ABOUT IS THIS BOARD
5 ACTUALLY IMPLEMENTING ITS VISION, A VISION THAT CALLS
6 FOR, NOT ONLY TO BE RECOGNIZED AS THE NATIONAL, BUT THE
7 INTERNATIONAL LEADER IN THE MANAGEMENT OF INTEGRATED
8 WASTE, AS WELL AS RECOVERED MATERIALS THAT BEST SERVE
9 THE PUBLIC, THE ECONOMY, AND THE ENVIRONMENT FOR THE
10 STATE OF CALIFORNIA.
11 BUT BEFORE I MOVE ON TO THE DISCUSSION ON
12 HOW PERHAPS WE CAN MOVE THIS AGENDA FORWARD AND THE
13 PROCESS I'D LIKE TO PROPOSE ON HOW WE GET THERE, LET ME
14 JUST TALK A LITTLE BIT MORE ON JUST WHERE WE ARE TODAY
15 IN SOME VERY BRIEF AND BROAD GENERAL TERMS.
16 YESTERDAY YOU HEARD FROM DEPUTY DIRECTOR
17 FRIEDMAN ON THE PRESENTATION OF THE FIRST RESULTS OF
18 OUR FIRST BIENNIAL REVIEW PROCESS FROM THOSE
19 JURISDICTIONS HAVING BEEN FIRST MEETING THE '95 GOAL
20 YEAR AND THEIR REDUCTION OF 25 PERCENT. AND I BELIEVE
21 IT WAS MR. EDGAR WHO APPROPRIATELY SIGNIFIED THIS WAS
22 AN HISTORIC MILESTONE FOR 939 AND POINTED OUT THAT A
23 NUMBER OF JURISDICTIONS ARE WELL ON THEIR WAY TO
24 ACHIEVING THE 50-PERCENT REDUCTION MANDATE.
25 AND DURING HER PRESENTATION, JUDY



1 REMINDED THE BOARD THAT SB 1066 ALLOWS FOR REDUCTIONS
2 IN THE INTERIM DIVERSION RATES AND ALLOWS SOME TIME
3 EXTENSIONS; HOWEVER, BETWEEN THE YEAR 2000 AND 2006,
4 ALL JURISDICTIONS MUST BE IN COMPLIANCE WITH THE
5 MANDATES. SO TO ENSURE THAT WE FOCUS OUR LIMITED
6 RESOURCES ON THOSE STRATEGIC AREAS AND ENSURE THAT WE
7 PROVIDE THE MAXIMUM EFFORT TOWARDS ASSISTING OUR
8 INDUSTRY AND LOCAL GOVERNMENT PARTNERS, WE MOBILIZED
9 OUR PRIORITY TEAMS IN THE AREAS OF LOCAL ASSISTANCE,
10 ORGANICS, CONSTRUCTION, AND DEMOLITION.
11 AND ON THE WASTE MANAGEMENT SIDE, HAVING
12 BEEN ONE OF THE FIRST STATES TO ACHIEVE THE COMPLIANCE
13 UNDER SUBTITLE D AS AN APPROVED STATE STATUS, OUR
14 EFFORTS FOCUSED ON IMPROVING FACILITY COMPLIANCE IN THE
15 AREA OF ENFORCEMENT OF NONPERMITTED FACILITIES,
16 BRINGING ALL PERMITS CURRENT, AND BUILDING PARTNERSHIPS
17 TO ACHIEVE AN EVER GREATER LEVEL OF COMPLIANCE, WHETHER
18 IT BE THROUGH LANDFILL OPERATOR CERTIFICATION PROPOSALS
19 OR IMPROVING THE PERFORMANCE OF OUR LEA'S AND STAFF
20 THROUGH ONGOING TRAINING INITIATIVES.
21 AND IN THE AREA OF MARKET DEVELOPMENT,
22 WHERE ARE WE TODAY? WE'VE GOT THE MINIMUM CONTENT LAWS
23 IN THE NEWSPRINT, TRASH BAG, AND RPPC AREAS, NOT TO
24 MENTION THE STATE MANDATES THAT GOVERN THE GLASS,
25 PLASTIC, AND ALUMINUM INDUSTRIES UNDER THE BOTTLE BILL



1 PROGRAM. WE'VE GOT OUR RECYCLING BUSINESS ZONE LOAN
2 PROGRAMS, OUR WASTE REDUCTION PROGRAMS TARGETED TOWARDS
3 BUSINESSES, AND, OF COURSE, SPECIAL PROGRAMS FOCUSED ON
4 OUR USED OIL AND TIRE AREAS.
5 AN UMBRELLA AROUND ALL OF THIS IS PUBLIC
6 EDUCATION DESIGNED TO RAISE AWARENESS ON THE ACTIONS
7 INDIVIDUALS AND BUSINESSES CAN TAKE TO MAKE REDUCING,
8 REUSING, AND RECYCLING AN EVERYDAY ACTIVITY. IN
9 ADDITION, WE SAW SB 1066 WHICH CALLS ON THE BOARD TO
10 INCREASE ITS EFFORTS IN ASSISTING IN THE ESTABLISHMENT
11]. OF SUSTAINABLE MARKETS. IN FACT, IT WAS THIS
12 LEGISLATION WHICH SERVED AS A LEGISLATIVE AUTHORIZATION
13 TO SUPPORT THE PROPOSAL TO EXPAND THE ELIGIBLE USES OF
14 RMDZ ACCOUNT DOLLARS GO BEYOND JUST LOANS, BUT TO
15 BOLSTER ADDITIONAL PUBLIC/PRIVATE PARTNERSHIPS WHICH
16 SERVE TO STRENGTHEN MARKETS FOR DIVERTING MATERIALS.
17 ALL THESE EFFORTS WERE DESIGNED EXTERNALLY FOR THE
18 ORGANIZATION.
19 AND SIMILARLY, INTERNALLY, AS KEITH HAS
20 JUST OUTLINED, WE HAD A NUMBER OF EFFORTS TO IMPROVE
21 THE WAY WE DO OUR JOBS DAILY, THE STRATEGIC PLANNING
22 MODEL, WHICH ALLOWS US TO FOCUS OUR RESOURCES IN OUR
23 KEY PRIORITY AREAS, THE INTEGRATED TRAINING INITIATIVE,
24 SOME LEADERSHIP DEVELOPMENT PROCESSES, AND, OF COURSE,
25 LOOKING AT ALL THE PROCESS IMPROVEMENTS THAT WE CAN



1 CONTINUE TO MAKE THROUGHOUT THE ORGANIZATION.
2 AND TRUE TO THAT, WE ARE NOW REDIRECTING
3 RESOURCES TO THOSE PRIORITY AREAS TO ENSURE THAT WE'VE
4 GOT THE EFFORTS GOING ON TO ENSURE THAT WE MEET THOSE
5 AMBITIOUS TIMETABLES.
6 SO IN SUMMARY, I GUESS YOU SAY THAT WE'RE
7 PARTICIPANTS IN A TEN-YEAR RACE, THE LAST LAP BELL HAS
8 RUNG, AND WE'RE IN AN ALL-OUT SPRINT FOR THE FINISH
9 LINE. AND I WOULD SUBMIT NOW IT'S TIME WE MUST DECIDE
10 WHAT THE NEXT RACE WE ARE GOING TO PARTICIPATE IN LOOKS
11 LIKE AND HOW ARE WE GOING TO PARTICIPATE IN THAT RACE.
12 TO FACILITATE THE DEVELOPMENT OF THIS --
13 LOOKING AT FUTURE AGENDA, I'M PROPOSING A PROCESS WHICH
14 IS ESSENTIALLY A BOARD LED PROCESS, ONE THAT WOULD
15 INVOLVE OUR STAKEHOLDERS, STAFF PARTICIPATION. AND THE
16 OBJECTIVE WOULD BE TO IDENTIFY THE CURRENT AND EMERGING
17 WASTE MANAGEMENT ISSUES, PROPOSED POST YEAR 2000 WASTE
18 MANAGEMENT GOALS AND MEASURES, POLICY PROPOSALS TO
19 ACHIEVE THOSE GOALS, AND CLEAR ROLE DEFINITIONS FOR OUR
20 PARTNERS AS WELL AS THE BOARD.
21 I'LL GIVE YOU SOME EXAMPLES OF WHAT I'M
22 REFERRING TO WHEN I TALK ABOUT SOME EMERGING WASTE
23 MANAGEMENT ISSUES. IT SEEMS TO ME WE COULD GO BACK TEN
24 YEARS AND ASK OURSELVES WHAT WERE THE DRIVING FORCES
25 BEHIND 939 IN THE LATE 1980S? I JUST SAW A HANDOUT



1 FROM CRRC A COUPLE OF DAYS AGO THAT REFERRED TO WHERE
2 WE ARE WITH LANDFILL CAPACITY.
3 I CAN REMEMBER FIRST COMING TO THE BOARD
4 IN THE EARLY '90S AND THAT WAS ONE OF THE DRIVING
5 FORCES. WE WERE ALL FACED WITH WHAT APPEARED TO BE
6 EVER DIMINISHING LANDFILL CAPACITY. IF YOU LOOK AT
7 THOSE NUMBERS FROM CRRC AND FROM OUR STAFF REPORTS,
8 WE'RE LOOKING AT ANYWHERE FROM 40 TO 50 YEARS OF
9 LANDFILL CAPACITY NOW. WHY IS THAT.
10 WE'VE SEEN A 30-PERCENT REDUCTION IN THE
11 AMOUNT OF MATERIAL DISPOSED, AND WE'VE SEEN NEW
12 PERMITTED FACILITIES COME ON LINE. I WOULD SUBMIT THAT
13 WE HAVE, AT LEAST ON AN INTERIM BASIS, SUFFICIENT
14 LANDFILL CAPACITY, BUT THERE ARE OTHER EMERGING AND
15 DRIVING FORCES OUT THERE THAT I THINK WE NEED TO BE
16 COGNIZANT OF, ENVIRONMENTAL SUSTAINABILITY, INTEGRATED
17 CROSS MEDIA APPROACHES.
18 WHEN I LOOK AT, SITTING IN MY CHAIR, AT
19 WHAT SOME OF THE ISSUES THAT WE'VE BEEN GRAPPLING WITH
20 AT CAL-EPA, THE ONE THAT STRIKES ME THE MOST IS THE
21 MTBE ISSUE, THE OXYGENATE OF CHOICE FOR REFINED FUEL
22 FOR THE INCREASED FUEL EFFICIENCY STANDARDS AND AIR
23 QUALITY STANDARDS. AND WHAT WE SAW THERE WAS A CLEAR
24 RECOGNITION THAT AFTER THAT OXYGENATE ENTERED INTO THE
25 REFORMULATED GASOLINE SYSTEM, THAT THERE WAS NOW THE



1 POTENTIAL FOR SIGNIFICANT GROUNDWATER CONTAMINATION.
2 AND SAY WHAT YOU WILL ABOUT THE EFFECTIVENESS OF
3 CAL-EPA, WHETHER IT WAS GOOD, BAD, OR INDIFFERENT, I
4 THINK THE -- ONE OF THE BASIC GOALS OF THAT AGENCY WAS
5 TO TRY TO BRING TOGETHER THESE CROSS-MEDIA ISSUES IN A
6 WAY THAT THERE'S COORDINATED RESOLUTION TOWARDS THEM.
7 I THINK THAT'S GOING TO CONTINUE TO BE A THEME THAT WE
8 WILL HAVE TO ADDRESS IN THE FUTURE. HOW CAN WE
9 RESPONSIBLY ADDRESS THESE CROSS-MEDIA ISSUES WITHOUT
10 IMPINGING UPON THE SEPARATION OF RESPONSIBILITIES THAT
11 LEGISLATION SUCH AS 1220 HAS CALLED FOR?
12 THIS WHOLE SEVENTH GENERATION CONCEPT,
13 WHICH TAKES A LONG-TERM VIEW TOWARDS OUR ENVIRONMENT
14 WITH THE GOAL OF BEING THAT YOU LEAVE THE ENVIRONMENT
15 IN A SETTING THAT ACTUALLY HAS GREATER VALUE OR WORTH
16 FOR GENERATIONS TO COME. THERE'S SOME VERY INTERESTING
17 WORK THAT'S BEING DONE IN DENMARK, IN EUROPE, IN
18 SWEDEN, AND THE NETHERLANDS THAT ARE BEGINNING TO LOOK
19 AT SYSTEMS APPROACHES TO ENVIRONMENTAL MANAGEMENT. AND
20 THEY DO THIS ON A GEOGRAPHIC AREA WHERE THEY LOOK AT
21 GLOBAL ISSUES, INTERNATIONAL ISSUES, STATE ISSUES, AND
22 LOCAL ISSUES, AND DEFINE THE APPROPRIATE POLICIES FOR
23 THE VARIOUS GEOGRAPHICAL AREA THAT THEY'RE SPEAKING TO.
24 WASTE UTILIZATION. MR. JONES MADE THE
25 COMMENT THAT HE WAS JUST BACK IN WASHINGTON, D.C. AND



1 HIS FRUSTRATION OVER MAYBE WANTING TO MOVE THE AGENDA A
2 LITTLE BIT MORE TOWARDS MARKET DEVELOPMENT. I WOULD
3 SUBMIT THAT WE ARE MOVING AWAY FROM SIMPLY LOOKING AT
4 WASTE MANAGEMENT, BUT NOW LOOKING AT WASTE UTILIZATION.
5 WE HAVE EFFECTIVELY PUT IN PLACE AN
6 INFRASTRUCTURE THAT IS EFFECTIVELY MANAGING OUR WASTE.
7 WE HAVE DIVERSION PROGRAMS IN PLACE. WE HAVE SUBTITLE
8 D COMPLIANT LANDFILLS. WE HAVE MRF'S AND TRANSFER
9 STATIONS MEETING STATE MINIMUM STANDARDS.
10 THE NEXT ISSUE IS ARE WE EFFECTIVELY
11 UTILIZING THIS WASTE FOR SUSTAINABLE MARKETS FOR HAVING
12 THIS MATERIAL GO TO A HIGHER VALUE END USE. AND YOU
13 LOOK AT THE DISCUSSION PERHAPS THAT WAS IN WASHINGTON,
14 D.C. AND YOU'RE HEARING THAT MANY STATES ARE STILL
15 LOOKING AT TRYING TO DEAL WITH INFRASTRUCTURE TO MANAGE
16 THEIR WASTE. AND I WOULD SUGGEST THAT WE NOW NEED TO
17 LOOK AT THE INFRASTRUCTURE THAT'S ACTUALLY GOING TO
18 UTILIZE THIS WASTE, AND I'M NOT JUST REFERRING TO THE
19 DIVERSION MATERIALS, BUT I'M REFERRING TO THAT THAT IS
20 ALSO GOING TO LAND DISPOSAL.
21 WHEN WE WERE DOWN IN SAN DIEGO LAST
22 MONTH, WE HEARD FROM THE CITY OF SAN DIEGO HOW THEY'RE
23 BEGINNING TO LOOK AT TAKING THE WASTE THAT GOES TO
24 LANDFILL AND CAPTURING THAT GAS, LIQUEFYING IT, AND
25 RUNNING THEIR TRASH TRUCKS, PULLING THOSE DIESEL TRUCKS



1 OUT OF THOSE NEIGHBORHOODS, AS WE HAVE MORE AND MORE
2 INFORMATION ON THE HEALTH EFFECTS OF DIESEL EXHAUST,
3 LOOKING AT ACTUALLY TAKING THAT WASTE AND UTILIZING A
4 VALUE-ADDED BENEFIT FROM NOT JUST WHAT'S DIVERTED, BUT
5 WHAT IS DISPOSED.
6 SOME ADDITIONAL EXAMPLES YOU'LL SEE WITH
7 ANY READING ON THE INTERNET OR ANY DISCUSSION WITH SOME
8 OF THESE FOLKS IS YOU'LL SEE THE REAL QUESTIONS ARE HOW
9 CAN WE BEST DEVELOP PERFORMANCE-BASED REGULATIONS THAT
10 ENCOURAGE INNOVATION AND COST-EFFECTIVE SOLUTIONS. HOW
11 CAN WE BEST TRANSITION FROM MINIMAL ACCEPTED STANDARDS
12 TO CONTINUOUS IMPROVEMENT, AND WHAT ARE THE BROAD SET
13 OF POLICY TOOLS WHICH PROVIDE ECONOMIC INCENTIVES TO
14 REWARD SUPERIOR ECONOMIC PERFORMANCE AND DO DISCLOSURE
15 OF SOURCE LEVEL INFORMATION?
16 AND ON THIS LAST POINT LET ME JUST SAY
17 THAT I WOULD SUBMIT THAT WE AT THE BOARD ARE ALREADY
18 MAKING SOME SIGNIFICANT STRIDES IN THIS AREA. OUR
19 INVENTORY OF FACILITIES OF THOSE FACILITIES THAT ARE
20 OUT OF COMPLIANCE WITH STATE MINIMUM STANDARDS, AS WELL
21 AS OUR LISTING OF FACILITIES WITH SIGNIFICANT PERMIT
22 VIOLATIONS, ARE GOOD EXAMPLES OF THIS DISCLOSURE OF
23 SOURCE LEVEL INFORMATION THAT I'M REFERRING TO HERE.
24 SO IN SUMMARY, LET ME JUST BEGIN TO SAY
25 THAT I HAVE A PROCESS OUTLINE THAT I'D LIKE TO GO



1 THROUGH. AND WHILE THESE ARE JUST SOME OF THE EMERGING
2 ISSUES, I'D LIKE TO SHIFT THE DISCUSSION NOW ON HOW I'M
3 RECOMMENDING THAT YOU CONSIDER IN ASSISTING IN THE
4 DEVELOPMENT OF DEFINING THIS FUTURE POLICY AGENDA FOR
5 WASTE MANAGEMENT INTO THE 21ST CENTURY. AND I WILL BE
6 GOING TO EACH ONE OF THESE AREAS IN MORE DETAIL, BUT
7 MORE EDUCATION ON SOME OF THE EMERGING ISSUES IN THE
8 WASTE ARENA. I SUGGEST WE GROUP THESE ISSUES AND
9 IDENTIFY THE POLICY QUESTIONS AROUND EACH. THEN
10 PROPOSE GOALS, MEASURES, AND POLICY OPTIONS, AS WELL AS
11 THE SPECIFIC ROLES, AND INTEGRATE INTO A FINAL POLICY
12 PROPOSAL. I WOULD SUBMIT THAT WE WOULD HAVE THIS
13 MATERIAL READY FOR THIS FALL FOR SUBMISSION TO THE
14 TRANSITION TEAM FOR THE NEXT ADMINISTRATION, AND THEN,
15 OF COURSE, WE WOULD UPDATE OUR STRATEGIC PLAN.
16 AGAIN, IN THE EDUCATION ARENA, WHAT I'M
17 REALLY TALKING ABOUT HERE IS THAT THE BOARD CONTINUE TO
18 DO, AS IT'S BEEN DOING AS OF LATE, HOLDING MORE BOARD
19 WORKSHOPS, BRINGING IN EXPERT WITNESS TESTIMONY,
20 PROVIDING MORE MATERIAL THAT SPEAKS TO WHAT'S GOING ON
21 NATIONALLY AND INTERNATIONALLY, AND TO BRING IN THOSE
22 WHO CAN MAKE PRESENTATIONS ON SOME OF THOSE NEW
23 APPROACHES. AGAIN, THE PURPOSE TO EXPLORE THESE ISSUES
24 AND SOME APPROACHES THAT ARE ONGOING THROUGHOUT THE
25 WORLD.



1 I'M SUGGESTING THAT WE GROUP THESE ISSUES
2 INTO THREE OR MORE GROUPINGS. MY THINKING HERE PERHAPS
3 IS CONSIDER BREAKING THE BOARD INTO TWO MEMBERS EACH
4 ALLOWABLE UNDER THE BAGLEY-KEENE ACT AND BEGIN TO FRAME
5 THE POLICY DISCUSSIONS AND DO SOME CONSENSUS THINKING
6 IN EACH OF THREE AREAS. PURPOSE, AGAIN, WOULD BE TO
7 FRAME POLICY DISCUSSIONS.

8 THE BOARD MEMBER TEAMS, ALONG WITH
9 DIALOGUE WITH STAFF AND STAKEHOLDERS, TO DEVELOP THE
10 PROPOSED PROCESS THAT WOULD ARTICULATE GOALS FOR THE
11 YEAR 2010, WHAT THOSE OUTCOME MEASURES WOULD BE, THE
12 POLICY OPTIONS, AND AGAIN THE ROLE DEFINITIONS, ALL TO
13 PROVIDE OPTIONS AND RECOMMENDATIONS FOR THE FULL BOARD
14 CONSIDERATION. THAT, AGAIN, OF COURSE, WOULD HAVE THE
15 DEVELOPMENT OF STAKEHOLDER INPUT AND SUPPORT.
16 THE NEXT STEP WOULD BE ACTUALLY A BOARD
17 WORKING SESSION, A SESSION WHERE WE'D ROLL UP OUR
18 SLEEVES AND TRULY ENGAGE IN DIALOGUE THAT HAS AS ITS
19 PLANNED OUTCOME A FINAL SET OF POLICY PROPOSALS, A WORK
20 SESSION WHERE THE TEAMS WOULD COME TOGETHER AND LAY OUT
21 ITS OPTIONS AND RECOMMENDATIONS AND ADOPT A SET OF
22 FINAL POLICY RECOMMENDATIONS.

23 AS I INDICATED, IN NOVEMBER THE NEWLY
24 ELECTED GOVERNOR'S TRANSITION TEAM WILL BEGIN
25 DEVELOPMENT OF POLICY INITIATIVES FOR THE NEW



1 ADMINISTRATION. AND GIVEN THAT 939 IS ESSENTIALLY
2 SILENT ON WASTE MANAGEMENT POLICY AND THE BOARD'S
3 RESPONSIBILITIES BEYOND THE YEAR 2000, DEVELOPING OUR
4 THINKING ON WHAT THIS POLICY INITIATIVE WOULD BE
5 APPROPRIATE AND IT'S ESSENTIALLY THE GOAL OF THIS
6 STEP.
7 COUPLED WITH THAT WOULD BE, OF COURSE,
8 THE BEGINNING TO DEVELOP NECESSARY LEGISLATIVE CHANGES
9 AND ANALYZING THE SUPPORT AND OPPOSITION TO ANY
10 PROPOSALS, AS WELL AS THE FINANCIAL IMPACT FROM THESE
11 PROPOSALS. FROM THERE, WE COULD SIMPLY UPDATE THE
12 BOARD'S STRATEGIC PLAN, CARRY OUT THE STEPS NECESSARY
13 TO INTERNALLY MAKE THESE SHIFTS. THAT WOULD BE, AGAIN,
14 PREPARATION FOR OUR NEXT PRIORITY AREAS THAT WOULD COME
15 FORWARD BEYOND THE FOUR THAT WE WOULD BE NOW WRAPPING
16 UP IN THE YEAR 2000, DEVELOP THIS TRANSITION STRATEGY
17 SO THAT WE CAN HAVE THE LEADERSHIP ON THE BENCH TO
18 BEGIN MOVING THESE NEW PRIORITY AREAS FORWARD, AND LOOK
19 AT OUR ORGANIZATIONAL PROCESSES THAT WOULD MAKE THIS
20 POSSIBLE.
21 SOME OF YOU WILL RECALL THIS SLIDE.
22 WE'VE USED IT BEFORE. THE TEAMS THAT YOU'VE HEARD FROM
23 TODAY AND TWO BOARD SESSIONS AGO ARE REALLY THOSE TEAMS
24 THAT ARE IN THAT TOP GREEN AREA, FOCUSING ON OUR
25 PRIORITY AREAS, THE ONES THAT ARE ACTUALLY OUT THERE



1 IMPLEMENTING, DOING, AND CHECKING AND ADJUSTING, AND,
2 OF COURSE, WITH THAT, WE HAVE ONGOING MAINTENANCE
3 ACTIVITIES.
4 WHAT I'M SUGGESTING IS THAT THE BOARD
5 LOOK TO THOSE FIRST TWO AREAS ON THE LOWER LEFT SCREEN
6 WHERE WE ACTUALLY DO THE ANALYSIS AND LEAD TO THE
7 DEVELOPMENT OF AN INTEGRATED STRATEGY, THE PLANNING
8 PROCESS THAT WOULD THEN LEAD US TO BE INTO OUR PRIORITY
9 AREA DEVELOPMENT BY THE YEAR 2000.
10 WHILE I'M SUGGESTING THAT THIS PROCESS BE
11 DRIVEN BY THE BOARD MEMBERS THEMSELVES, WITH THE
12 SUPPORT, INVOLVEMENT, AND ASSISTANCE FROM YOUR
13 COMMITTEE ANALYSTS AND ADVISORS, I'M STILL RECOMMENDING
14 THAT THE PROCESS COULD BE WELL SERVED BY THE HIRING OF
15 A CONSULTANT TO ASSIST YOU AND YOUR STAFFS IN THIS
16 AMBITIOUS UNDERTAKING. THE CONSULTANT'S ROLE WOULD BE
17 TO GUIDE THE PROCESS AND HELP ASSIST IN THE POLICY
18 DEVELOPMENT, TO RESEARCH SOME OF THE WRITTEN MATERIAL,
19 AND HELP FACILITATE BRINGING IN EXPERT SPEAKERS, SURVEY
20 STAKEHOLDERS, ASSIST IN ORGANIZING THE WORKSHOPS AND
21 THE BOARD WORK SESSIONS, AND RECORD AND ORGANIZE THE
22 BOARD'S DISCUSSION, AS WELL AS FACILITATE IN WRITING
23 THE REPORTS.
24 IN SUMMARY, WHAT I HEAR MOST FROM THE
25 REGULATED COMMUNITY AND FROM LOCAL GOVERNMENT IS THEY



1 WANT CLEAR AND PREDICTABLE REGULATIONS, THEY WANT GOALS
2 THAT ARE EASILY UNDERSTOOD AND CLEAR. AND I FEEL THAT
3 WE OWE THIS EFFORT TO THOSE WHO HAVE STEPPED FORWARD
4 AND MADE THE INVESTMENT IN THE INFRASTRUCTURE, HIRED
5 THE PERSONNEL, FOUGHT FOR THE FUNDING AT THEIR LOCAL
6 LEVEL TO IMPLEMENT THE PROGRAMS, WHETHER IT BE BEFORE
7 THEIR CITY COUNCIL OR THE BOARD OF SUPERVISORS, AND PUT
8 FORWARD THE GOOD FAITH EFFORT TO MAKE 939 A REALITY.
9 THINK WE OWE ALL OF THEM THIS EFFORT, NOT ONLY TO
10 OURSELVES, BUT TO THOSE WE OFTEN REFER TO AS OUR
11 PARTNERS, AND I BELIEVE THEY SHOULD DEMAND NOTHING LESS
12 FROM THIS BOARD AFTER PUTTING FORTH THAT EFFORT TO COME
13 THIS FAR IN THE JOURNEY.
14 SO THAT PRETTY MUCH SUMMARIZES MY
15 PROPOSAL, MEMBERS. LIKE I SAID, I FEEL THIS IS AN
16 IMPORTANT INITIATIVE THAT WE EMBARK UPON TO BE WELL
17 PREPARED AS WE LOOK AT THE NEXT CENTURY THAT IS GOING
18 TO BRING FORWARD WHAT THE RESPONSIBILITIES OF THIS
19 BOARD WOULD BE, AND I SUGGEST WE DO IT IN A WAY THAT IS
20 COLLABORATIVE WITH OUR PARTNERS AND LED BY THE BOARD
21 ITSELF. THAT CONCLUDES MY PRESENTATION.

22 CHAIRMAN PENNINGTON: OKAY. VERY GOOD.

23 QUESTIONS? MR. EATON.

24 BOARD MEMBER EATON: YES. THANK YOU VERY
25 MUCH. I THINK THAT WAS AN EXCELLENT PRESENTATION. AND



1 I KNOW THAT YOU AND I DIDN'T GET A CHANCE TO HAVE OUR
2 WEEKLY MEETING THIS WEEK WHERE WE NORMALLY EXCHANGE
3 IDEAS, BUT I JUST HAVE A COUPLE OF AREAS THAT I'D KIND
4 OF LIKE TO DISCUSS WITH YOU. I THINK, ONE, I THINK
5 YOU'RE ABSOLUTELY RIGHT IN THE FACT THAT THERE'S A
6 FRAMING OF THE ISSUES OF MEETING THE GOALS OF 2000 AND
7 THEN THOSE BEYOND, AND THAT SEPARATION IS EXTREMELY
8 IMPORTANT, I THINK, IN WHAT FLOWS FROM THERE.
9 AND AS WE REACH THE YEAR 2000, I THINK
10 YOU'RE ABSOLUTELY CORRECT THAT THAT'S REALLY THE
11 DRIVING FORCE BEHIND THE STRATEGIC TEAMS THAT WE'VE
12 HEARD, THE TWO WE HEARD TODAY AND THE OTHERS WERE
13 PREVIOUSLY PRESENTED.
14 I GUESS M1 QUESTION FOR US IS WHEN WILL
15 WE AS A BOARD SEE THAT REORGANIZATION PLAN AND HOW WE
16 ALLOCATE THOSE COSTS IN TERMS OF MONETARY COSTS FOR
17 RESOURCE REALLOCATION, PERSONNEL COSTS, BECAUSE WE HAVE
18 HEARD THAT, YOU KNOW, THERE'S EXTREME HEAVY WORKLOAD IN
19 CERTAIN AREAS AND HOW WE ADJUST THAT, AND I KNOW THAT'S
20 SOMETHING THAT YOU AND KEITH HAVE BOTH WORKED ON A LOT,
21 ACCOUNTABILITY VERSUS OUR STATUTORY MANDATES. AND, YOU
22 KNOW, WHEN WILL WE AS A BOARD BE PRESENTED WITH THAT
23 FOR OUR REVIEW AND SUBSEQUENT APPROVAL?
24 MR. CHANDLER: WELL, IT'S NOT BEEN MY PAST
25 PRACTICE IN THE PAST, AND IF YOU WANT TO GO DOWN THIS



1 PATH, WE CERTAINLY CAN, TO BRING TO THE BOARD FOR YOUR
2 APPROVAL A REORGANIZATION PLAN. WHAT I HAVE DONE IS
3 TAKEN THE WORK PLANS THAT HAVE COME OUT OF THESE
4 PRIORITY TEAMS, ASSESSED WHAT OUR VACANCIES ARE, AND
5 HAVE ALREADY SAT DOWN WITH THE EXECUTIVE STAFF AND
6 ALLOCATED POSITIONS TO THE PRIORITY TEAMS FROM THOSE
7 VACANCIES.
8 WITH THAT IS ANNUAL DEVELOPMENT OF OUR
9 BUDGET PROCESS WHICH ASSIGNS THE TRAINING DOLLARS AND
10 ADDITIONAL SUPPORT TO EACH DIVISION SO THEY HAVE THEIR
11 BUDGETS THAT ARE SUPPORTABLE IN THESE AREAS.
12 IF IT'S THE WILL OF THE BOARD TO GET INTO
13 AN ORGANIZATIONAL PRESENTATION, I'D BE MORE THAN HAPPY
14 TO PUT THAT TOGETHER AND SHOW YOU JUST WHERE THE
15 RESOURCES HAVE BEEN SHIFTED TO EACH OF THESE PRIORITY
16 AREAS, AND WE CAN CERTAINLY HAVE THAT DISCUSSION. LIKE
17 I SAID, WE'VE ALREADY BEGUN THAT PROCESS, AND THAT'S
18 WELL UNDER WAY.

19 BOARD MEMBER EATON: CORRECT. AND I THINK
20 THAT'S GOOD THAT IT HAS STARTED. YOU HAVE TO DO SOME
21 OF THOSE THINGS, BUT I THINK IT'S IMPORTANT THAT WE GET
22 AN UNDERSTANDING OF WHERE YOU ARE GOING BECAUSE IF WE
23 ARE TO DO OUR JOBS, WHICH IS THE SECOND POINT THAT I
24 HAVE, WHICH IS THE VISION OF THE YEAR 2000, WE NEED TO
25 KNOW WHERE YOU ARE GOING ON A STAFF PERSPECTIVE SO THAT



1 WE DON'T GET OUT OF LINE AS WE INTERACT WITH THE
2 DECISION MAKERS, POLICY MAKERS. AND WHILE I AGREE WITH
3 YOU THAT WE NEED TO HAVE LEADERSHIP ON THIS BOARD, I
4 THINK WE HAVE THE NEW GROWTH HERE TO HAVE THAT. I
5 DISAGREE, HOWEVER, THAT THIS SHOULD BE FROM THE BOTTOM
6 UP. I THINK IT'S A TOP-DOWN TASK HERE.
7 IF INDEED THE 2000, MEANING THE YEAR
8 2000, IS A STRATEGIC PLAN AND THE STAFF IS IMPLEMENTING
9 THAT, THEN THE GOALS 2000 AND BEYOND IS OUR VISION
10 QUEST, OUR VIDEO. AND I DO BELIEVE, QUITE FRANKLY,
11 THAT IT IS INCUMBENT UPON US TO TAKE CONTROL OF THAT
12 BECAUSE IT IS US WHO HAVE TO INTERACT. AND I THINK
13 THAT YOU DID MENTION A LEGISLATURE, AND EVEN THOUGH I'M
14 A LEGISLATIVE APPOINTEE, I THINK IT'S VERY CRITICAL,
15 BECAUSE THE FRAMER OF AB 939 WAS NOT MENTIONED, AND I
16 THINK HE HAS TO BE MENTIONED, WHETHER IT'S DEMOCRAT OR
17 REPUBLICAN ON EITHER SIDE OF EITHER HOUSE, IT'S
18 EXTREMELY IMPORTANT THAT THEY BE INCLUDED AT EVERY
19 POINT, WHETHER IT BE WORKSHOPS OR LEADING THOSE
20 WORKSHOPS OR WHAT HAVE YOU. I THINK BECAUSE, AFTER
21 ALL, IT TAKES THEIR VOTES, AND IT'S NOT AN
22 ADMINISTRATION DRIVEN POLICY. IT IS A POLICY FOR
23 CALIFORNIA. AND I THINK ALL OF THOSE PARTIES HAVE TO
24 BE.
25 AND BECAUSE OF THAT, I BELIEVE THAT THE



1 REASON WHY IT'S A BOARD RESPONSIBILITY IS THAT WHILE
2 EVERYONE IS KEEPING THEIR EYE ON THE BALL AND MEETING
3 THE YEAR 2000, THEN SOMEONE HAS TO BE KEEPING THEIR EYE
4 ON THE BALL FOR BEYOND, AND I THINK THAT'S THE BOARD'S
5 RESPONSIBILITY AND OBLIGATION. I DON'T THINK WE
6 DISAGREE. I THINK WE DISAGREE IN THE APPROACH.
7 AND MORE IMPORTANTLY, I THINK AS I WENT
8 THROUGH THE SPECIFICS LAST NIGHT AND READ YOUR
9 PRESENTATION, A PERFECT EXAMPLE OF THAT IS INTERVIEWING
10 THE CONSULTANT. I DON'T HAVE A PROBLEM BRINGING ON A
11 CONSULTANT TO HELP FACILITATE. I DO HAVE A PROBLEM
12 THAT THAT CONSULTANT IS RECOMMENDED TO US. I THINK IT
13 SHOULD BE A BOARD FUNCTION TO INTERVIEW. AND AS A
14 SUGGESTION, I WOULD SAY TWO ADVISORS, TWO BOARD
15 MEMBERS, AND TWO MEMBERS FROM YOUR STAFF, AND THOSE
16 CANNOT NECESSARILY BE CONSISTENT. IF MR. JONES IS ON
17 THE COMMITTEE, THEN HIS ADVISOR CAN'T BE PART OF THAT
18 INTERVIEW STAFF TO LOOK AT THE CONSULTANT, NOT TO MAKE
19 A DECISION, BUT TO FILTER AND TO SEE WHAT IT IS, I
20 THINK THAT WAY THERE CAN BE AN INTERACTION. AND I
21 THINK AS WE MOVE DOWN THE ROAD, WE AT LEAST BEGIN TO
22 GET EVERYONE'S INVOLVEMENT. EVERYONE HAS A STAKE AT
23 THAT POINT.
24 SO I DON'T THINK IT'S THE CONSULTANT. I
25 THINK IT'S HOW WE LOOK ABOUT IT BECAUSE IT IS OUR TASK,



1 AND I THINK IT'S UP TO US RIGHT HERE TO TAKE IT BY THE
2 HORNS AND MOVE IT.
3 SO I THINK THOSE ARE THE KINDS OF THINGS
4 WHERE WE CAN, IF WE DO THAT, WE CAN THEN CO-EXIST WITH
5 THE MISSION FOR THE STRATEGIC PLANS, RATHER THAN
6 COLLIDE. I THINK THEY'RE COMPLEMENTARY PROCESSES, NOT
7 CONTRADICTORY. AND THE ONLY WAY THAT THE WORKLOAD CAN
8 BE MANAGED, AS YOU'RE MOVING AROUND AND MANAGING
9 THROUGH YOUR REORGANIZATION, WE HAVE TO DO THE SAME AS
10 HOW WE WANT TO MOVE THIS BEYOND. EVERY ONE OF THE
11 BOARD MEMBERS AND EVEN THE ONE WHO'S ABSENT TODAY
12 UNFORTUNATELY HAS A CERTAIN EXPERTISE THAT THEY BRING
13 AND THAT IN THEIR INTERACTION THEY HAVE TO BE THE
14 SALESPERSONS FOR WHATEVER WE DO, AND WE HAVE TO START
15 THAT PROCESS NOW, AND WE'RE GOING TO HAVE TO BE ABLE TO
16 DEFEND IT.
17 50 I THINK THAT EVERYTHING IS THERE THAT
18 WE NEED TO DO, AND WE'VE TALKED ABOUT THIS BEFORE ABOUT
19 BRINGING THIS BEYOND, AND IT'S GREAT. I THINK THE TIME
20 LINE MAY BE A LITTLE BIT TOO QUICK, BUT I THINK THAT'S
21 SOMETHING WE CAN DISCUSS IN TERMS OF HOW WE WANT TO GO
22 ABOUT IT. BUT IN TERMS OF WHO NEEDS TO MAKE THOSE
23 DECISIONS AND HOW WE MOVE, I THINK THAT'S GOING TO BE
24 ALONG A DIFFERENT KIND OF CONFIGURATION THAN HAS BEEN
25 PROPOSED.



1 MR. CHANDLER: WELL, I CERTAINLY DON'T
2 DISAGREE WITH YOUR -- WITH THE GIST OF MUCH OF WHAT YOU
3 HAVE TO SAY. IF I DIDN'T MAKE MYSELF CLEAR, I WANT TO
4 MAKE MYSELF CLEAR ON THIS POINT, WHICH -- AND I THOUGHT
5 I HAD IT IN MY COMMENTS -- I'M LOOKING TO YOU TO BE THE
6 ARCHITECT OF HOW YOU WANT TO PROCEED. AND IF HOW YOU
7 WANT TO PROCEED IS BRING IN CONSULTANTS, LET'S GET THEM
8 HERE TOMORROW AND START THE INTERVIEW PROCESS. AND IF
9 HOW YOU WANT TO PROCEED IS HAVE YOUR OFFICES SELECT
10 THAT CONSULTANT, I HAVE ABSOLUTELY NO PROBLEM WITH
11 THAT. YOU DESIGN THIS PROCESS.
12 I'M JUST SUGGESTING THAT WHEN MR. JONES
13 ASKED THE QUESTION EARLIER, WHAT CAN WE AS A BOARD DO
14 TO ASSIST YOU, YOU KNOW, IT'S WE LEAD, FOLLOW, OR GET
15 OUT OF THE WAY. WE ARE IN THE PROCESS OF IMPLEMENTING
16 THOSE PRIORITY TEAMS. IN THAT AREA I WOULD SUGGEST
17 THAT WE NEED TO JUST KEEP YOU INFORMED OF THE PROGRESS
18 WE'RE MAKING. WE ARE DOING THAT.
19 IN THIS AREA I'D SAY WE NEED TO SEE THE
20 LEADERSHIP THAT YOU HAVE JUST SPOKEN TO THAT LEADS THIS
21 EFFORT FORWARD. AND HOW YOU WANT TO TAKE THAT ON, I'M
22 HERE TO FACILITATE WHATEVER YOU WANT TO SEE THAT
23 PROCESS LOOK LIKE TO ACHIEVE THOSE OBJECTIVES,
24 INCLUDING HOW YOU GO ABOUT SELECTING THE SUPPORT YOU
25 NEED TO GET THAT DONE. AND CERTAINLY, AS I SAID, I



1 THINK WE CAN DEAL WITH MAKING SURE THAT YOU ARE CLEAR
2 AND PROVIDE INPUT INTO HOW KEITH AND I ARE TAKING THE
3 LIMITED RESOURCES WE HAVE AND TRYING TO PUT THOSE
4 VACANCIES INTO THOSE FOUR AREAS THAT ALLOW FOR STAFF TO
5 IMPLEMENT THE CONTRACTS, IF OF WILL, THAT THEY'VE
6 NEGOTIATED BETWEEN THE DIVISIONS.
7 BUT I'M ENCOURAGED BY WHAT YOU JUST SAID,
8 MR. EATON. I APPRECIATE YOUR SUPPORT FOR SEEING THAT
9 THIS IS SOMETHING THAT NEEDS TO OCCUR. AND I FULLY
10 AGREE WITH YOU AS WELL ON THE POINT OF INCLUDING THE
11 LEGISLATIVE PROCESS. SENATOR SHER HAS CERTAINLY BEEN
12 THE ARCHITECT OF THIS LEGISLATION AND MANY BILLS THAT
13 HAVE FOLLOWED IT. I MENTIONED SB 1066, AND CERTAINLY
14 THE PROCESS THAT YOU SHOULD DESIGN SHOULD DESIGN A
15 PROCESS THAT WE GET A LOT OF LEGISLATIVE INPUT.
16 SOME OF YOU MAY HAVE BEEN AWARE THAT I'VE
17 BEEN SPENDING MY THURSDAY MORNINGS THE LAST THREE WEEKS
18 SITTING DOWN IN THE CAPITOL AS ANOTHER PIECE OF
19 LEGISLATION, PRETTY AKIN TO WHAT WE DO, FACES SUNSET IN
20 FOUR MONTHS. AND THAT'S THE BEVERAGE CONTAINER
21 RECYCLING ACT. WHAT YOU HAVE THERE IS AN
22 ASSEMBLYWOMAN, ASSEMBLYWOMAN BOWEN, ESSENTIALLY SERVING
23 AS THE LEADERSHIP AT THIS POINT TO BRING IN THE
24 INTERESTED PARTIES TO TRY TO DESIGN HOW THAT PROGRAM IS
25 TO BE AT LEAST CRAFTED FROM HER PERSPECTIVE IN THE



1 LEGISLATION SHE MAY USE.
2 ALL I'M SUGGESTING IS THAT WE WILL FIND
3 OURSELVES DOWNTOWN 18 MONTHS FROM NOW AND PERHAPS A
4 BETTER PLACE WOULD BE TO START THE DIALOGUE OUT HERE,
5 GET OURSELVES INFORMED, GET SOME CONSENSUS THINKING
6 ACROSS THE BOARD, AND RECOMMEND TO THE LEGISLATURE WITH
7 THEIR INPUT SOME OF THESE VERY IDEAS THAT WE'VE JUST
8 SPOKEN TO. SO, AGAIN, I TOTALLY AGREE WITH WHERE YOU
9 WANT TO GO.

10 BOARD MEMBER EATON: OUR VIEWS ARE NOT
11 DIVERGENT. IT'S SORT OF WHICH PATH WE TAKE. I THINK
12 THAT, FOR THAT VERY REASON, WE HAVE TWO ACCOUNTABLE
13 THINGS THAT ARE GOING TO TAKE PLACE. WHEN THEY ASK US
14 WHAT -- WHERE WE HAVE SUCCEEDED AND WHERE WE HAVE NOT
15 SUCCEEDED OR NOT OBTAINED WHAT WAS ASKED OF US, IT'S
16 INCUMBENT UPON US TO BE ABLE TO RESPOND TO IT. SO MY
17 REASON FOR ASKING THE QUESTION ABOUT WHAT IS THE
18 REORGANIZATION, HOW IT'S DONE, IT'S NOT MEANT TO BE
19 DEROGATORY IN ANY MANNER, BUT ONLY TO BE ABLE TO ASSIST
20 AND FACILITATE AND EXPLAIN TO PEOPLE.
21 AS YOU WELL KNOW, AS WE WENT THROUGH THE
22 BUDGET PROCESS HERE, ONE OF THE KEY POINTS THAT WE'VE
23 HAD, AND I THINK UNDER MR. PENNINGTON'S CHAIRMANSHIP IN
24 ALLOWING SOME OF US TO BE DELEGATED CERTAIN KINDS OF
25 FREEDOM TO KIND OF MOVE AROUND IN DIFFERENT AREAS, WE



1 HAVE BEEN ABLE TO EXPLAIN TO THOSE WHO CONTROL THE
2 PURSE STRINGS AND THOSE WHO CONTAIN SOME OF THE
3 ADMINISTRATIVE TOOLS WHY WE'VE HAD PROBLEMS. AND I
4 THINK THAT WE'VE DONE THAT THROUGH COMMUNICATION, AND
5 THAT'S PROBABLY THE BEST THING THAT'S HAPPENED. AS WE
6 ALL KNOW, COMMUNICATION SOLVES A LOT MORE PROBLEMS THAN
7 IT CREATES. AND WE'VE BEEN ABLE TO BE SUCCESSFUL AS
8 WE'VE MOVED THROUGH AS, I THINK, COMPARED TO OTHER
9 AGENCIES WHO CONTINUALLY TRY AND HIDE THE BALL. WE'VE
10 NEVER HAD THAT PROBLEM; WE'RE NOT GOING TO HAVE THAT
11 PROBLEM AS LONG AS I'M ON THIS BOARD.
12 BUT WHAT I DO NEED TO KNOW IS I NEED TO
13 HAVE THE INFORMATION FROM WHICH TO BE ABLE TO ASSIST,
14 AND I THINK THAT SOME OF THAT INVOLVES THE INTERACTION
15 THAT WE TALKED ABOUT WITH REGARD TO HOW THE STAFFING
16 ALLOCATION IS GOING TO TAKE PLACE AND WHAT WE NEED TO
17 DO; BUT MORE IMPORTANTLY, I THINK, IN TERMS -- I WILL
18 ACCEPT YOUR CHALLENGE TO TAKE THE ROLE IN TERMS OF
19 INTERVIEWING AND WHAT HAVE YOU THE PEOPLE AND COMING UP
20 WITH INDIVIDUAL OR TEAM OF INDIVIDUALS WHO MIGHT BE
21 ABLE TO FACILITATE SOME OF THIS. AND I THINK THAT YOU
22 SHOULD BE PART OF THAT PROCESS AND WILL BE PART OF THAT
23 PROCESS. I WOULD NOT ACCEPT ANYTHING LESS.
24 MR. CHANDLER: THANK YOU.
25 CHAIRMAN PENNINGTON: MR. CHESBRO.



1 BOARD MEMBER CHESBRO: YES, MR. CHAIRMAN.
2 FIRST OF ALL, I WANT TO SAY I AGREE WITH BOARD MEMBER
3 EATON ABOUT THE IMPORTANCE OF LEADERSHIP FROM THE BOARD
4 ON THIS, AND I APPRECIATE HIM POINTING IT OUT. I ALSO
5 WANT TO THANK RALPH FOR GETTING THIS FOCUS AND STEPPING
6 FORWARD AND GETTING US MOVING ON IT BECAUSE I THINK IT
7 ALSO REQUIRES SOME LEADERSHIP TO GET THE BOARD FOCUSED.
8 AND IT'S A VERY, VERY IMPORTANT TOPIC.
9 GOING BACK TO THE LESSON OF THE LATE
10 1980S WHEN AB 939 WAS FIRST BEGAN TO BE VISUALIZED AND
11 CAME TOGETHER, THERE WAS A PROCESS THAT WE COULD
12 PROBABLY LEARN SOME THINGS FROM. IT WAS A TASK FORCE
13 THAT WAS CREATED BY THE STATE SENATE. IMPORTANT PART
14 ISN'T THAT IT WAS CREATED BY THE STATE SENATE TO IMPLY
15 THAT IT WAS SOMEHOW ONE-SIDED OR JUST LEGISLATIVE IN
16 NATURE. IT WAS A 25 OR 27 MEMBER TASK FORCE THAT MET
17 OVER A YEAR'S TIME AND ALSO HAD EX OFFICIO
18 REPRESENTATION FROM THE OLD WASTE BOARD, THE DEPARTMENT
19 OF CONSERVATION, WATER BOARD, WHOLE BUNCH OF OTHER
20 AGENCIES THAT SENT REPRESENTATIVES TO REGULARLY
21 PARTICIPATE IN THE DISCUSSIONS. AND IT WAS REALLY THAT
22 PROCESS THAT PRODUCED THE FRAMEWORK FOR 939 THAT THEN
23 THE LEGISLATURE TOOK UP AND WORKED ON AND THE
24 GOVERNOR'S PEOPLE GOT INVOLVED IN THE NEGOTIATION. IT
25 DIDN'T TURN OUT EXACTLY THE WAY THE TASK FORCE



1 RECOMMENDED, BUT THE UNDERLYING FRAMEWORK WAS
2 ESTABLISHED.
3 I THINK THE MOST IMPORTANT LESSON TO
4 LEARN FROM THAT WAS THE BROAD BASE OF STAKEHOLDERS WHO
5 WERE BOUGHT INTO THE IDEA THAT THERE WAS A GREAT STEP
6 FORWARD THAT NEEDED TO TAKE PLACE AND WHO WANTED TO
7 PARTICIPATE IN EXACTLY HOW THAT WOULD HAPPEN. I THINK
8 ONE OF THE MANY REASONS FOR THE SUCCESS OF AB 939 WAS
9 THE FACT THAT WE'VE -- MANY OF THE STAKEHOLDERS STILL
10 ATTEND OUR MEETINGS AND STILL PARTICIPATE IN THE
11 PROCESS. THERE WAS A CONFIDENCE LEVEL ESTABLISHED THAT
12 EVERYBODY HAD CONTRIBUTED AND THAT THERE WAS A
13 BROAD-BASED CONSENSUS FOR CHANGE.
14 AND I DON'T KNOW THAT WE CAN RECREATE
15 THAT SITUATION, AND I'M NOT SUGGESTING IT. BUT THE
16 REASON FOR GOING BACK AND RECALLING THAT IS TO REMEMBER
17 THE IMPORTANCE OF THE STAKEHOLDERS IN THIS PROCESS.
18 THINK THEY WILL BRING TWO THINGS. ONE IS WHEN IT COMES
19 TO THE REAL CHANGE THAT MAY INVOLVE LEGISLATION, THEY
20 ARE THE ONES WHO CAN CONVINCED THE LEGISLATURE AND THE
21 GOVERNOR OF THE IMPORTANCE OF CHANGE. I DON'T THINK
22 THE LEGISLATURE AND THE GOVERNOR WOULD HAVE RESPONDED
23 IF THERE HADN'T BEEN SIGNIFICANT OUTPUT OR INPUT FROM
24 THE PRIVATE SECTOR, FROM THE WASTE INDUSTRY, FROM THE
25 ENVIRONMENTAL COMMUNITY, FROM LOCAL GOVERNMENTS THAT



1 CHANGE WAS NEEDED. SO I THINK WE NEED TO BUILD THEIR
2 SUPPORT INTO THE PROCESS ALONG THE WAY.
3 SECONDLY, I THINK THEY CAN HELP US GET
4 OUTSIDE THE BOX. IF THIS WERE STRICTLY AN INTERNAL
5 PROCESS HERE, WE'LL HAVE A TENDENCY TO THINK ONLY IN
6 TERMS OF THE MECHANISMS THAT ARE CURRENTLY IN PLACE AND
7 HOW THEY'RE WORKING AND HOW WE SHOULD MODIFY THEM
8 RATHER THAN PERHAPS LOOKING TO BROADER, BIGGER STEPS.
9 I MEAN I THINK IF THE SENATE WASTE TASK FORCE IN 1988
10 AND '89 HAD ONLY LOOKED AT THE OLD WASTE BOARD AND ITS
11 MECHANISMS AND HOW THEY COULD BE MODIFIED, WE WOULDN'T
12 HAVE GOT AB 939 OUT OF THAT.
13 THERE WAS A REAL ABILITY TO SORT OF THEN
14 TRANSCEND TO THE NEXT LEVEL AND START THINKING
15 CREATIVELY OUTSIDE OF THE EXISTING MECHANISMS, AND I
16 THINK WE NEED THAT IN THIS PROCESS. SO WE NEED TO
17 THINK EVEN BEYOND THE PEOPLE WE THINK OF AS
18 STAKEHOLDERS NOW. WE NEED TO THINK WHO ARE THE
19 POTENTIAL STAKEHOLDERS WHO CAN HELP US GET TO THE NEXT
20 LEVEL, OTHER ELEMENTS OF THE BUSINESS COMMUNITY, FOR
21 EXAMPLE, BESIDES THE RECYCLING -- RECYCLERS AND THE
22 WASTE HAULERS AND AGRICULTURE, BUT MAYBE THE
23 MANUFACTURERS AND THE RETAILERS AND OTHER KINDS OF
24 BUSINESS GROUPS WHO CLEARLY CAN HAVE A BIG ROLE IN US
25 GETTING BEYOND 50 PERCENT.



1 SO I THINK WE NEED TO ADDRESS EITHER IN
2 THIS PROCESS OR AS ONE OF THE OUTCOMES OF THIS PROCESS
3 SOME KIND OF A BROADLY BASED POLICY GROUP WHO CAN WORK
4 WITH EITHER HELPING US DEVELOP THE -- I HAVEN'T MADE UP
5 MY MIND ABOUT THIS YET - - EITHER HELPING US DEVELOP
6 THIS PRODUCT OR TAKING THE PRODUCT WE PRODUCE AND
7 WORKING AND CARRYING IT FORWARD FROM WHAT WE INITIALLY
8 PRODUCE THROUGH THIS CONSULTANT AND THROUGH OUR BOARD
9 WORK. BUT I THINK IT'S IMPORTANT FOR US TO THINK AS
10 BROADLY AS POSSIBLE AND NOT BE STUCK IN OUR -- IN THE
11 AB 939 MODE BECAUSE CLEARLY IT'S A WORK IN PROCESS.
12 AND THE WHOLE CONCEPT OF ZERO WASTE, THE CONCEPT OF
13 GETTING BEYOND 50 PERCENT, THE CONCEPT OF NOT JUST -- I
14 DON'T REMEMBER YOUR TERMINOLOGY HERE, RALPH, BUT NOT
15 JUST TALKING ABOUT MINIMUM STANDARDS, BUT A CONTINUOUS
16 PROCESS OF IMPROVEMENT. ALL OF THOSE THINGS, I THINK,
17 REQUIRE US TO LOOK BEYOND THE TOOLS THAT THE
18 LEGISLATURE HAS CURRENTLY GIVEN US AND THINK VERY
19 BROADLY AND CREATIVELY.
20 SO IN CONCLUSION, SIGNIFICANT STAKEHOLDER
21 PARTICIPATION IS WHAT I'M PROPOSING.

22 MR. CHANDLER: VERY GOOD. I WOULD AGREE.

23 BOARD MEMBER JONES: MR. JONES.

24 BOARD MEMBER JONES: THANK YOU, MR. CHAIRMAN.

25 I THINK I BASICALLY AGREE WITH MY FELLOW BOARD MEMBERS.



1 I'M NOT SURE IF I -- I HAVE A FIRM BELIEF THAT THIS
2 BOARD IS A POLICY SETTING BOARD AND THAT RALPH'S JOB IS
3 TO MANAGE THE POLICIES THAT COME OUT OF HERE WITH THE
4 DIRECTION THAT WE GIVE AND TO BE ACCOUNTABLE TO MAKE
5 SURE THAT STAFF DOES THAT JOB. I WOULD HOPE THAT WE
6 DON'T CROSS THAT LINE. I WOULD HOPE THAT WE LET
7 MANAGERS MANAGE AND WE AS POLICY MAKERS MAKE POLICY
8 BECAUSE I DON'T WANT TO MANAGE WHAT DARRELL PECKARD
9 DOES IN PERMITS OR FOR THAT -- FOR WHAT RUBIA DOES OR
10 ANYBODY ELSE. THAT'S NOT OUR JOB.
11 I THINK WHILE YOU'RE FOCUSING US ON THIS
12 ISSUE, WHICH I THINK IT'S IMPORTANT, I THINK IT IS
13 VERY, VERY IMPORTANT THAT THIS -- THAT WE COME TO A
14 CONSENSUS, THAT WE, IN FACT, ARE THE POLICY MAKERS, AND
15 IT IS YOUR JOB TO IMPLEMENT OUR POLICIES.
16 WE'RE TALKING ABOUT ISSUES THAT ARE
17 OUTSIDE THE BOX. WHEN WE'RE GOING -- I LIKE THE IDEA
18 OF US WORKING ON SPECIFIC POLICIES THAT WE ALL DECIDE
19 NEED TO BE, YOU KNOW, ADDRESSED. ONE OF THE BIG ONES
20 IS, AND IT BECAME VERY CLEAR THAT TRIP LAST WEEK, WHEN
21 WE'RE TALKING ABOUT HOW TO GET THE UNITED STATES INTO
22 THE YEAR 2000, A LOT OF OUR TIME WAS SPENT DEALING WITH
23 PEOPLE THAT WANTED TO REDEFINE DEFINITIONS, PEOPLE THAT
24 WANTED TO REDEFINE WHERE OTHER PEOPLE WERE COMING FROM.
25 SO WE WASTED A LOT OF TIME GOING OVER SOMETHING THAT



1 HAD BEEN A SOURCE OF DEBATE FOR 20 YEARS BECAUSE NOBODY
2 HAD THE COURAGE TO GO TO 2000. THEY DIDN'T LIKE WHAT
3 HAPPENED FROM 1975 TO 1998 BECAUSE SOME OF THEIR --
4 SOME OF THEIR AGENDA GOT COMPROMISED.
5 WELL, I'LL GIVE YOU SOME AGENDA TO GET
6 COMPROMISED. WE HAVE AN INFRASTRUCTURE THAT HAS BEEN
7 BUILT THROUGHOUT THE STATE OF CALIFORNIA TO ADHERE TO
8 AB 939, TO THE 25-PERCENT AND 50-PERCENT MANDATE. WHAT
9 THAT MEANS IS CITIES, COUNTIES, HAULERS HAVE PUT IN AN
10 INVESTMENT TO BUILD AN INFRASTRUCTURE TO SELL TO THEIR
11 CITIES AND COUNTIES TO MAKE SURE THAT THEY MEET THE
12 GOAL OF AB 939, THE 50 PERCENT, SO THAT THOSE CITIES
13 AND COUNTIES DO NOT GET FINED.
14 WE HAVE GOT A HUGE MERGER THAT HAS TAKEN
15 PLACE OR IS TAKING PLACE. AND I DON'T KNOW WHAT GOES
16 THROUGH JOHN DRURY'S MIND. I DON'T KNOW WHAT GOES
17 THROUGH ANY OF THOSE PEOPLE'S MINDS. I'VE NEVER
18 OPERATED ON THAT LEVEL. I WAS JUST WITH A SMALL
19 COMPANY. I THINK WE WERE THE FOURTH LARGEST AT THE
20 TIME, BUT IT'S SMALL COMPARATIVELY. BUT DRURY IN
21 THE -- I'M NOT HAMMERING WASTE OR USA IF YOU'RE OUT IN
22 THE AUDIENCE. WHAT I'M SAYING IS JOHN DRURY MADE A
23 COMMENT IN THE WALL STREET JOURNAL THE DAY THAT THAT
24 MERGER WAS ANNOUNCED THAT HE DOES NOT BELIEVE IN
25 RUNNING HAZARDOUS WASTE FACILITIES OR RECYCLING



1 FACILITIES. THERE'S NO MONEY IN IT.
2 NOW, I'VE TALKED TO PEOPLE FROM USA WASTE
3 THAT HAVE SAID THEY WILL CONTINUE TO OPERATE THOSE
4 PROGRAMS TO MAKE SURE THAT THEIR CITIES AND COUNTIES
5 WHERE THEY HAVE CONTRACTS WILL BE ABLE TO DO WHAT THEY
6 WANT -- I MEAN WILL BE ABLE TO GET TO THE GOAL.
7 I THINK ONE OF OUR POLICY DISCUSSIONS
8 NEEDS TO BE WHERE ARE THE LANDFILLS IN THIS STATE?
9 WHAT IS THE CAPACITY IN THE STATE AND WHO OWNS THOSE
10 LANDFILLS? BECAUSE IF IT IS MORE PROFITABLE, AND I
11 WILL TELL YOU THAT IT IS, TO PICK UP GARBAGE, PUT IT IN
12 A TRUCK, AND TAKE IT TO A LANDFILL, AS OPPOSED TO
13 PROCESSING IT AND TRYING TO FIND MARKETS, AND, YOU
14 KNOW, PROFITABILITY IS A BIG TERM, BUT I MEAN IF YOU GO
15 BOTTOM LINE, IT'S EASIER, IT'S QUICKER, SO OBVIOUSLY
16 YOUR MARGINS CAN BE DIFFERENT. LET'S JUST SAY FOR THE
17 SAKE OF ARGUMENT THAT ENOUGH PRESSURE IS PUT ON TO
18 MAYBE REEXAMINE AB 939 AND BECAUSE NOW THERE IS 60
19 YEARS OF CAPACITY WITHIN THE STATE OF CALIFORNIA, DO WE
20 REALLY NEED IT.
21 WHAT WE HAVE A HARD TIME REALIZING IS
22 THAT THAT BILL WAS CALLED A RESOURCE CONSERVATION ACT.
23 IT WAS ABOUT RESOURCE CONSERVATION. IT WAS ABOUT
24 PROTECTING THE THINGS THAT WE HAVE. AND I JUST WANT US
25 TO BE AWARE, AND I THINK IT MAKES GOOD FODDER FOR



1 DISCUSSION, WHAT HAPPENS IF ENOUGH PRESSURE IS PUT ON
2 TO ABANDON AB 939? YOU KNOW, WE'RE TALKING ABOUT GOING
3 TO 2000 AND BEYOND, BUT WE ALL KNOW HOW THIS PROCESS
4 WORKS. AND WHAT IF THAT HAPPENS?
5 THEN LET ME ASK YOU WHAT HAPPENS TO THAT
6 INFRASTRUCTURE? WHAT HAPPENS TO EVERY CITY AND COUNTY
7 AND EVERY INDEPENDENT HAULER OR COMPANY THAT MET THE
8 GOAL OF AB 939 BY BUILDING THE INFRASTRUCTURE, AND THEY
9 MET IT BY BORROWING MONEY FROM BANKS, THEY MET IT BY
10 GETTING BONDS, THEY MET IT BY PUTTING THINGS IN THEIR
11 RATE, AND ALL OF A SUDDEN THERE'S NO SOURCE OF MATERIAL
12 FOR THAT? WE BANKRUPTED AN AWFUL LOT OF JURISDICTIONS
13 IN THE STATE OF CALIFORNIA. WE HAVE BANKRUPTED AN
14 AWFUL LOT OF THE ENTIRE INFRASTRUCTURE. CITIES AND
15 COUNTIES THAT HAVE PUT ALL THEIR MONEY IN, AND YOU CAN
16 CORRELATE THAT TO WHAT HAPPENED IN THE BIOMASS
17 INDUSTRY. WE HAD 60 BIOMASS FACILITIES. FORTY OF THEM
18 WERE CLOSED DOWN, BUT THEY GOT BAILED OUT BECAUSE THEY
19 HAD SOME FEDERAL MONEY AND SOME STATE MONEY TO HELP
20 DEFER SOME OF THAT LONG-TERM DEBT. WHO'S GOING TO BAIL
21 OUT THE FACILITIES IN YUBA CITY OR IN TUOLUMNE COUNTY
22 OR IN ANY OTHER CITY? WHO'S GOING TO BAIL THOSE OUT?
23 NOBODY.
24 I'VE HAD CITY COUNCIL PEOPLE WHEN I'VE
25 GIVEN SPEECHES, ESPECIALLY DOWN SOUTH, ABOUT AB 939 AND



1 THE FACT THAT THIS BOARD HAD THE COURAGE TO ENFORCE IT,
2 WHICH WE DID AND I'M PROUD OF, AND I SAY WHAT ABOUT THE
3 INFRASTRUCTURE? CITY COUNCILWOMAN LOOKED AT ME AND
4 SAID, "THAT AIN'T MY PROBLEM." WELL, YOU'RE RIGHT.
5 IT'S NOT YOUR PROBLEM. BUT I THINK IT IS A HUGE ISSUE.
6 AND I'M NOT SAYING, DON'T -- PLEASE DON'T MISUNDER-- --
7 I CAN JUST SEE THE QUOTE IN THE PAPER, "JONES IS
8 WORRIED ABOUT USA WASTE." I'M NOT. I'M NOT WORRIED
9 ABOUT THAT, BUT WHAT I'M WORRIED ABOUT IS THAT WE
10 DON'T, AS A BOARD, TAKE THAT AS AN ISSUE, THAT WE NEED
11 TO DEVELOP CONVERSATION ABOUT.
12 THE NEXT THING THAT WE DO IS WE GET --
13 YOU KNOW, YOU HAD MADE SOME COMMENTS ABOUT THE OLD
14 BOARD, IN FACT, BOTH YOU AND WESLEY, ABOUT THE OLD
15 BOARD. THE OLD BOARD WOULD STILL BE HERE IF THEY HAD
16 LED THE DISCUSSION. I KNOW THERE'S A COUPLE PEOPLE IN
17 THE AUDIENCE THAT I USED TO WORK WITH THAT WERE PART
18 OF THOSE DISCUSSIONS. THEY SAID IT WOULD NEVER HAPPEN.
19 THEY SAID AB 939 WILL NEVER HAPPEN. PEOPLE AREN'T
20 GOING TO DO THIS. WELL, GUESS WHAT. IT WAS A
21 BIPARTISAN LAW. I MEAN YOU HAD A DEMOCRATIC
22 LEGISLATURE, YOU HAD A REPUBLICAN GOVERNOR THAT SIGNED
23 IT. IF THAT BOARD WOULD HAVE BEEN RESPONSIVE, WOULD
24 HAVE BEEN THINKING OUTSIDE THE BOX, THEY'D HAVE GROWN,
25 YOU KNOW.



1 WE NEED TO TAKE ON THAT ROLE AS POLICY
2 MAKERS. I MEAN PERSONALLY I THINK, YOU KNOW, RALPH, IF
3 YOU DON'T ALLOCATE THE PEOPLE, IF YOU DON'T GET THE JOB
4 DONE, I'LL TELL YOU RIGHT NOW, YOU ARE GOING TO BE
5 FIRED. I'M SERIOUS AS HELL. I'M NOT OPPOSED TO FIRING
6 PEOPLE. I'VE DONE IT, 4 OR 500 OF THEM.

7 MR. CHANDLER: THAT'S WHERE THOSE ANONYMOUS
8 LETTERS CAME FROM.

9 BOARD MEMBER JONES: I'D HAVE HAD THE COURAGE
10 TO GO TO YOUR FACE. I'D HAVE HAD THE COURAGE TO GO TO
11 YOUR FACE, RALPH. YOU DON'T EVEN WANT TO GO THERE
12 BECAUSE IF THEY CAN'T SIGN THEIR NAME ON A LETTER, THEY
13 AIN'T GOT THE COURAGE TO EVEN BEING HEARD.

14 ANYWAY, THAT'S THE WAY I FEEL ABOUT IT.

15 YOUR JOB IS TO DO THESE THINGS; OUR JOB IS SET THE
16 POLICY. AND -- BUT I THINK THE ISSUES ARE HUGE. I
17 THINK THE ISSUES OF -- PEOPLE ARE TALKING NOW, AND IF
18 YOU AGREE OR DON'T AGREE, GREENHOUSE GAS CREDITS,
19 THEY'RE TALKING ON A FEDERAL LEVEL ABOUT LOOKING AT
20 PROGRAMS AND GIVING GREENHOUSE GAS CREDITS. AND A LOT
21 OF THAT DEALS WITH RECYCLING BECAUSE IT'S NOT GOING
22 INTO A LANDFILL, IT'S NOT GENERATING GASES, IT'S NOT
23 DOING THOSE TYPES OF THINGS. WHAT KIND OF CREDIT?
24 WELL, WE'VE NEVER EVEN TALKED ABOUT THAT. WE NEED TO
25 BE TALKING ABOUT THOSE THINGS. WE NEED TO BE TELLING



1 STAFF YOU NEED TO GET IN AND DEAL WITH THOSE ISSUES,
2 SEE IF THEY'RE VALID. IF THEY'RE NOT VALID, DON'T
3 WASTE OUR TIME. IF THEY ARE VALID, LET'S HAVE THE
4 INFORMATION AVAILABLE SO THE STATE OF CALIFORNIA CAN
5 SAY, "WE'VE DEFERRED THIS MUCH MATERIAL, SO WE ARE
6 HELPING TO MINIMIZE GREENHOUSE GASES."
7 WE SHOULD BE WORKING WITH GSA, OUR STAFF
8 SHOULD BE WORKING ON ACCUMULATING THE TYPES OF
9 INFORMATION THAT -- ON RECYCLED-CONTENT MATERIALS THAT
10 HAVE VALUE AND SIT DOWN WITH GSA AND MAKE A BOOK THAT
11 GOES OUT TO EVERY DEPARTMENT IN THE STATE THAT SAYS,
12 HERE, THESE ARE THE THINGS THAT CAME OUT OF THE
13 WASTESTREAM THAT HAVE VALUE, THAT HAVE QUALITY, AND WE
14 WANT YOU TO BUY IT. AND IT SHOULD BE A SEPARATE LITTLE
15 PACKET. AND WE CAN DO THAT IN CONJUNCTION WITH GSA.
16 WE CAN OFFER VALUE THERE, YOU KNOW, AS A BOARD.
17 I JUST THINK THIS IS EXCITING. I AGREE
18 THAT YOU NEED A CONSULTANT. WORKING OUTSIDE THE BOX IS
19 SO HARD BECAUSE YOU DON'T KNOW WHAT'S ON THE OTHER SIDE
20 OF THAT WALL. YOU DON'T HAVE ANY IDEA OF WHAT'S --
21 MAYBE YOU CAN LOOK OUT A YEAR, YOU CAN LOOK OUT TWO
22 YEARS, BUT TO LOOK OUT FIVE AND SIX YEARS IS ALMOST
23 IMPOSSIBLE. I DON'T HAVE THE ABILITY PERSONALLY TO DO
24 THAT, BUT I HAVE ENOUGH BELLY FULL OF WORDS THAT IF
25 SOMEBODY GAVE ME SOME IDEAS, I COULD PROBABLY GENERATE



1 DISCUSSION ABOUT IT, AND I WOULD EMBRACE THAT, BUT I
2 DON'T KNOW HOW TO GET US TO 2010. I KNOW SOME OF THE
3 THINGS TO LOOK OUT FOR TO MAKE SURE WE DON'T END UP
4 LIKE A BOARD DID IN 1988, YOU KNOW, BECAUSE WE OFFER
5 VALUE.
6 AND I AGREE WITH BOTH OF THE BOARD
7 MEMBERS THAT WE NEED TO GET BYRON SHER'S OFFICE
8 INVOLVED, BUT AT THIS ADDRESS. THE DISCUSSION SHOULD
9 BE HERE, NOT DOWNTOWN. BECAUSE DOWNTOWN WE'LL BE
10 TALKING ABOUT REDEFINING DEFINITIONS. WE'LL BE TALKING
11 ABOUT THINGS THAT WE TALKED ABOUT 20 YEARS AGO. WE
12 NEED TO TALK ABOUT IT ON OUR TERMS ON THE SIX OF US,
13 WHAT -- WHERE WE THINK WE NEED TO GO AS POLICY MAKERS.
14 50 I APPLAUD YOUR EFFORT. AND I THINK
15 THAT THIS IS EXACTLY WHAT BOARDS SHOULD DO. AND LIKE
16 ALWAYS, THE WASTE BOARD IS LEADING THE CHARGE, SO
17 THAT'S GOOD. THANKS, MR. CHAIRMAN.

18 BOARD MEMBER FRAZEE: I JUST WANT TO SAY AMEN.
19 (APPLAUSE.)

20 BOARD MEMBER EATON: AND ONE CORRECTION. THE
21 HEADLINE WILL READ, "JONES DRUBS DRURY."

22 BOARD MEMBER JONES: DON'T PRINT THAT, CUPPS.
23 I SEE YOUR NECK GOING UP.

24 BOARD MEMBER EATON: THERE'S AN IDEA.

25 CHAIRMAN PENNINGTON: WELL, I CERTAINLY AGREE



1 WITH THE MOST OF WHAT'S BEEN SAID HERE. AS WE -- RALPH
2 AND I DISCUSSED THIS BEFORE -- BEFOREHAND, I THINK IT'S
3 CRITICAL THAT WE GET OUT FRONT AND THAT WE PARTICIPATE
4 IN THE DECISIONS THAT WILL BE FORTHCOMING ON WHAT TO DO
5 AFTER 2000. I THINK IT'S CRITICAL THAT WE TAKE THAT
6 LEADERSHIP ROLE. AND SO I THINK WE NEED TO MOVE
7 FORWARD.

8 I AGREE WITH MR. JONES THAT WE MUST BE
9 CAREFUL THAT - - TO KEEP OUR ROLE TO POLICY AND NOT TO
10 BECOME SIX LITTLE EXECUTIVE DIRECTORS UP HERE TRYING TO
11 MANAGE A STAFF. WE'RE BOARD MEMBERS, NOT
12 ADMINISTRATORS. BUT I THINK THAT THE DIRECTION THAT
13 YOU HAVE LAID OUT IS CERTAINLY THE DIRECTION THAT WE
14 SHOULD GO, AND I THINK E SHOULD GET STARTED AS SOON AS
15 POSSIBLE AND TRY TO DEFINE THOSE STEPS AND TO GET THE
16 CONSULTANT ON BOARD AND MOVE FORWARD. I KNOW YOU
17 INTEND TO BRING THE ACTUAL RESOLUTION FORWARD FOR THE
18 CONSULTANT IN JUNE, BUT WE CERTAINLY CAN START DOING
19 SOME PRELIMINARY THINKING ABOUT THAT TOO.

20 MR. CHANDLER: WE HAVE ACTUALLY TAKEN A FIRST
21 CRACK AT DRAFTING THE SCOPE OF WORK, SO MAYBE WHAT
22 WOULD BE BEST TO DO NOW WOULD BE TO CIRCULATE THAT TO
23 ALL OF YOUR OFFICES.

24 CHAIRMAN PENNINGTON: THAT'S RIGHT. WE NEED
25 TO MAKE SURE THAT WE CIRCULATE THE SCOPE OF WORK TO ALL



1 OF THE OFFICES.

2 MR. CHANDLER: WELL, I WOULD SUBMIT THAT'S
3 VERY IMPORTANT. AND I KNOW WHERE PERHAPS YOUR COMMENT
4 WAS INTENDED, BUT I THINK THAT THIS IS SOMETHING
5 THAT -- WELL, I'LL FACILITATE IN SERVING AS MANAGING
6 THE CONTRACT, IF THAT'S WHAT YOU SO CHOOSE, BUT I WOULD
7 LIKE TO GET MY THINKING TO ALL OF YOUR OFFICES
8 IMMEDIATELY AND THEN START WITH WHATEVER PROCESS YOU
9 WANT TO EMBARK ON THERE TO GET AT LEAST THAT STEP TAKEN
10 CARE OF.

11 YOU KNOW, LEADERSHIP CAN BE DEFINED AS
12 TAKING SOMEONE A PLACE THEY'VE NEVER BEEN BEFORE, AND
13 WE DON'T KNOW WHAT'S OUT BEYOND THE NEXT TEN YEARS.
14 AND I SUGGEST THAT WE ALL CAN SERVE AS LEADERS TO HELP
15 DEFINE WHAT IS OUT THERE AND BRING THE STAKEHOLDERS
16 ALONG, GET THEIR INPUT, AND HELP PAINT THE LANDSCAPE
17 FOR THE NEXT DECADE. SO UNLESS THERE'S ANY MORE
18 COMMENTS, I DON'T KNOW IF YOU HAVE ANY COMMENTS FROM
19 THE PUBLIC, MR. CHAIRMAN. I APPRECIATE YOUR INPUT.

20 BOARD MEMBER CHESBRO: I WAS GOING TO MAKE A
21 MOTION, BUT IF YOU HAVE COMMENTS FROM THE PUBLIC.

22 CHAIRMAN PENNINGTON: FIRST, I'LL SAY THAT
23 JOHN BROOKS WROTE AND SAID THAT HE HAS A SCHEDULE
24 CONFLICT, BUT HE WOULD LIKE TO GO ON RECORD WITH THEIR
25 SUPPORT OF AN OFFER OF ASSISTANCE IN THIS CRITICAL



1 PROGRAM.

2 WE HAVE MR. EVAN EDGAR.

3 BOARD MEMBER JONES: WHAT DID HIS WRITTEN

4 COMMENTS SAY?

5 MR. EDGAR: AMEN.

6 CHAIRMAN PENNINGTON: SAYS 2000 PLUS. IT SAYS

7 2000 PLUS. I DON'T KNOW WHETHER THAT'S WORDS OR HOURS

8 OR WHAT.

9 MR. EDGAR: THANK YOU, CHAIRMAN, BOARD

10 MEMBERS. MY NAME IS EVAN EDGAR OF EDGAR ASSOCIATES

11 REPRESENTING THE CALIFORNIA REFUSE REMOVAL COUNCIL. WE

12 HAVE A HUNDRED PROGRAMS STATEWIDE ON COLLECTING

13 RECYCLABLES AT THE CURB, OVER 50 MRF'S, 20 PERMITTED

14 COMPOST FACILITIES, AND 300 CERTIFIED RECYCLING

15 CENTERS. WE HAVE RESPONDED TO AB 939. WE HAVE MADE AN

16 INVESTMENT, AND WE ARE REACHING THE MANDATES, AND WE'RE

17 PROUD OF THAT.

18 I THINK THAT WE DO HAVE TO LOOK BACK TO

19 MOVE FORWARD. THAT'S WHAT WE'RE DOING TODAY, LOOK BACK

20 TO 1989 TO LOOK FORWARD TO THE YEAR 2010. I BELIEVE

21 THE WASTE BOARD NEEDS THE CRITICAL INFORMATION TO MAKE

22 THE KEY POLICY DECISIONS. SOME OF THE INFORMATION THAT

23 YOU WILL HAVE COMING IN FRONT OF YOU WAS A CONTRACT

24 CONCEPT THAT WAS SUPPORTED YESTERDAY WAS CONTRACT

25 CONCEPT OF ECONOMIC IMPACTS OF WASTE DIVERSION. THAT'S



1 REALLY KEY BECAUSE IT'S A FIRST SHOT AT LOOKING AT THE
2 INFRASTRUCTURE THAT HAS BEEN INVESTED INTO AB 939 WITH
3 REGARDS TO TRANSFER STATION, MRF'S, AND COMPOST
4 FACILITIES. SO WE WANT TO BE PARTICIPATORY IN THAT AND
5 ASSIST THE WASTE BOARD WITH THE NUMBERS IN ORDER TO
6 VALIDATE THE TONS, VALIDATE THE CAPACITY, AND VALIDATE
7 THE INVESTMENT WE HAVE MADE IN AB 939.
8 AT THE SAME TIME I BELIEVE THE WASTE
9 BOARD NEEDS TO LOOK AT THE DISPOSAL CAPACITY ASPECT
10 BECAUSE IN 1988, THERE WAS A BARGE AND IT WAS A
11 PERCEIVED LANDFILL CRISIS, BUT IT WAS ABOUT RESOURCE
12 CONSERVATION. AND I THINK IN 1999 WE NEED TO LOOK AT
13 RESOURCE CONSERVATION AS A KEY ISSUE BECAUSE OF THE
14 LANDFILL CAPACITY. I THINK WE HAVE A NEW CRISIS IN
15 CALIFORNIA. I THINK WE HAVE TOO MUCH CAPACITY.
16 LET ME TAKE A LOOK BACK AT 1990. IN 1990
17 IT WAS ABOUT 4 MILLION TONS OF WASTE GOING TO
18 CALIFORNIA LANDFILLS AS SUBMITTED TO BOE, BOARD OF
19 EQUALIZATION. AT THE TIME WE HAD 1.1 -- NO, 670
20 MILLION TONS OF CAPACITY, ABOUT 17 YEARS. NOW LET'S
21 MOVE TO 1993. TONS WENT DOWN TO 34.6 MILLION TONS IN
22 THE GROUND IN CALIFORNIA. WE GAINED CAPACITY UP ABOUT
23 ONE MILLION TONS, WHICH IS ABOUT 30 YEARS. AND THAT'S
24 WHEN PEOPLE QUIT KEEPING TRACK, BUT I DIDN'T. I
25 THOUGHT IT WAS IMPORTANT TO KIND OF KEEP A HANDLE ON



1 THIS WITH REGARDS TO CAPACITY.
2 IN 1996 THERE WAS ABOUT 32.9 MILLION TONS
3 PUT IN THE GROUND IN CALIFORNIA, LESS TONS, AND NOW
4 WE'RE UP TO ABOUT 1.7 BILLION TONS OF CAPACITY,
5 INCLUDING MESQUITE LANDFILL. THAT'S A CONSERVATIVE
6 ESTIMATE. I BELIEVE THAT WE CAN HAVE A BETTER NUMBER
7 ON THAT IF YOU HAD A LITTLE MORE RESEARCH. AND THEN BY
8 THE YEAR 2000, WE'LL PROBABLY HAVE ABOUT 36 MILLION
9 TONS IN THE GROUND. AND I PREDICT OVER 2 BILLION TONS
10 OF CAPACITY IN CALIFORNIA IN 40 TO 50 YEARS. SO WE
11 HAVE LESS TONS AND MORE CAPACITY. TASTES CHEAP, LESS
12 FILLING.
13 IT'S GOING TO BE QUITE COMPETITIVE ON THE
14 LANDFILL PRICING OUT THERE, AND THAT'S A BIG CONCERN TO
15 THE INDUSTRY ON WHAT THE LANDFILL PRICING WILL BE OUT
16 THERE. LOOK AT THE BIOCYCLE ARTICLE ON APRIL 1998
17 ABOUT THE STATE OF THE GARBAGE IN AMERICA. IN 1988,
18 TEN YEARS AGO, WE HAD 8,000 LANDFILLS. AFTER SUBTITLE
19 D, IN 1997 WE'RE DOWN TO 2,500. MEANWHILE, THE
20 CAPACITY HAS SKYROCKETED. WE HAVE A NEW THING CALLED
21 MEGA LANDFILLS, AND THESE MEGA LANDFILLS IN WYOMING
22 ALONE, THEY HAVE A HUNDRED YEARS OF CAPACITY, IN
23 NEVADA, 75 YEARS CAPACITY. EVERY STATE WEST OF THE
24 ROCKIES HAS 20 YEARS OF CAPACITY. HOW MUCH DOES
25 CALIFORNIA HAVE? I'D SAY ABOUT 40 OR 50.



1 AND LOOKING AT SOME UPCOMING DISPOSAL
2 CAPACITY THAT THE WASTE BOARD WILL SEE NEXT YEAR AND A
3 HALF, THERE WILL BE QUITE A FEW MEGA LANDFILLS COME IN
4 FRONT OF THIS WASTE BOARD. AND I PREDICT UP TO ABOUT
5 ANOTHER 1.4 BILLION TONS OF CAPACITY WILL BE COMING ON
6 LINE IN CALIFORNIA BY THE YEAR 2000.
7 WHO OWNS IT? IT MAY HAVE SOME
8 SIGNIFICANCE ON THE SATURATION OF MARKET SHARE, BUT
9 THAT'S THE ISSUE THAT THE DEPARTMENT OF JUSTICE WILL BE
10 TAKING ON. I'M NOT.
11 AND THEN WITH THE EXPORT DISPOSAL
12 CAPACITY, LOOKING AT A WASTE-BY-RAIL REPORT THE WASTE
13 BOARD PUT OUT IN 1997, THAT YOU GUYS UPDATE ON A
14 ROUTINE BASIS, I COUNTED .76 BILLION TONS OF CAPACITY
15 JUST A RAIL AWAY. SO GIVEN ABOUT 2 BILLION OF IN-STATE
16 DISPOSAL CAPACITY AND NEW MEGA LANDFILLS, ANOTHER .76
17 BILLION TONS OF NEARBY EXPORT, WHAT DOES THAT MEAN IN
18 THE YEAR 2000? WHAT DOES THAT BRING TO THE DISCUSSION
19 TO BEYOND 2000, AND WHAT DOES IT MEAN TO AB 939?
20 SO I HAVE SOME QUESTIONS THAT COULD ADD
21 TO THE DISCUSSION. WHO'S KEEPING TRACK OF DISPOSAL
22 CAPACITY IN CALIFORNIA? WHAT DOES IT MEAN? I BELIEVE
23 THAT THERE WAS A GOOD PROGRAM A COUPLE YEARS AGO USING
24 '93-'94 DATA UNDER THE CALF, CALIFORNIA LANDFILL
25 ASSESSMENT, RUN BY TRACY HARPER. THAT WAS A GREAT



1 PROGRAM. I THINK THAT SHOULD BE RESURRECTED TO
2 DETERMINE LANDFILL CAPACITY OVER THE NEXT FEW YEARS IN
3 ORDER TO BRING THAT TO THE DISCUSSION.
4 WILL CHEAPER LANDFILL PRICING WITH
5 AVOIDED COST OF DISPOSAL BE GREAT ENOUGH TO CONTINUE
6 THE POSITIVE TREND OF DIVERSION TO GET TO THE 50
7 PERCENT? SO AS PRICES GO DOWN, WILL THAT AVOIDED COST
8 OF DISPOSAL BE A KEY ISSUE WHERE PEOPLE DON'T WANT TO
9 GO BY THE MRF AND THEY GO TO THE LANDFILL INSTEAD? AND
10 THAT QUESTION ABOUT DIRECT TRANSFER, THERE WAS A
11 PROPOSAL IN TRANSFER STATION REGULATIONS THAT PUT IN
12 UNLIMITED DIRECT TRANSFER WITHOUT A SOLID WASTE
13 FACILITIES PERMIT. WHAT DOES THAT MEAN TO DIRECT HAUL
14 TO MEGA LANDFILLS?
15 WHAT POLITICAL FORCES MAY EMERGE TO
16 CAPTURE THE BENEFITS OF CHEAP DISPOSAL CAPACITY OVER
17 EXISTING INTEGRATED WASTE MANAGEMENT POLICY? I WANT TO
18 KNOW. AND THIS ONE IS A CRITICAL ONE BECAUSE WE WERE
19 PART OF THE PREVENT AND IMPAIR POLICY BECAUSE WE FOUND
20 IT WAS SOMEWHAT ABUSED IN 1996 AGAINST A MRF FACILITY.
21 AND THE PREVENT AND IMPAIR POLICY WAS BASICALLY A
22 POLICY ABOUT PROTECTING THE INTEGRITY OF AB 939, THAT
23 EVERY PERMIT THAT COMES IN FRONT OF THIS WASTE BOARD
24 NEEDS TO BE LOOKED AT WITH REGARDS TO AB 939 MANDATES
25 AND GOALS, AND WILL THAT PERMIT PREVENT OR IMPAIR THAT



1 COMMUNITY FROM REACHING AB 939 MANDATES? DID WE BRING
2 IT BACK FOR MEGA LANDFILLS AND WHAT IS A MEGA
3 LANDFILL? BUT MOST IMPORTANTLY, WHICH IS HARD TO PUT
4 YOUR ARMS AROUND, WHETHER IT BE WASHINGTON, D.C. OR
5 HOWEVER, BUT HOW DO YOU PUT -- WHAT OTHER ECONOMIC
6 INDICATOR AND MODELS CAN BE BROUGHT FORTH INTO THE
7 DISCUSSION TO ASSIGN A VALUE TO RESOURCE CONSERVATION
8 AGAINST A FALSE ECONOMY OF PRIMARY RESOURCE EXTRACTION?
9 IT'S A KEY ISSUE. AND I THINK EVERYBODY IS TALKING
10 ABOUT IT, BUT HOW DO WE ASSIGN THE VALUE OF RESOURCE
11 CONSERVATION AGAINST CHEAP LANDFILL PRICING?
12 THOSE ARE SOME GOOD DISCUSSION ITEMS.
13 AND ALONG WITH THE MRF AND COMPOSTING FACILITIES OUT
14 THERE, I THINK THAT TYPE OF ASSESSMENT ON WHAT IS
15 CAPACITY AND DO WE HAVE OVERCAPACITY, OVERCAPACITY OF
16 TRANSFER, OVERCAPACITY OF COMPOST FACILITY,
17 OVERCAPACITY OF MRF'S? I DON'T THINK WE DO. BUT THOSE
18 TYPES OF DISCUSSION ARE WARRANTED OVER THE NEXT YEAR
19 AND A HALF, AND HOPEFULLY THE ECONOMIC IMPACTS OF WASTE
20 DIVERSION STUDY THAT YOU GUYS HAVE AUTHORIZED TO START
21 COULD ANSWER SOME OF THOSE QUESTIONS. I THINK THEY'RE
22 VERY KEY QUESTIONS FOR CALIFORNIA.
23 AND I'VE BEEN SPENDING A LOT OF TIME AT
24 THE CALIFORNIA ENERGY COMMISSION WITH REGARDS TO AND
25 SPENT A LOT OF TIME ON THE BIOMASS ISSUE, AND I'VE SEEN



1 THE BIOMASS FACILITIES FALTER BECAUSE OF THE ENERGY
2 RESTRUCTURING. AND I THINK THE ENERGY RESTRUCTURING
3 HAS DONE A LOT WITH REGARDS TO CHANGING THE POLICY
4 SHIFTS AWAY FROM USING RENEWABLE ENERGY INTO A
5 DEREGULATED MARKETPLACE USING CHEAP NATURAL GAS. AND A
6 LOT OF THOSE FACILITIES WERE BAILED OUT, AS MR. JONES
7 POINTED OUT, WITH AB 1890 MONEY, THE BRULTE BILL. AND
8 THEN IN 1997, STEVEN PEARCE BROUGHT IT BACK WITH SOME
9 FUNDING FOR RENEWABLE ENERGY IN SB 90. SO THERE'S SOME
10 KEY SHIFTS WITH REGARDS TO TRYING TO KEEP THE RENEWABLE
11 ENERGY BUSINESS IN BUSINESS BECAUSE IT HAS VALUE TO
12 CALIFORNIA.
13 AND I THINK SOME OF THE PARALLEL
14 ARGUMENTS BETWEEN BIOMASS INDUSTRY IN THE '90S AND THE
15 MRF CAPACITY AND COMPOST CAPACITY IN THE YEAR 2000 AND
16 BEYOND ARE SOME SIMILAR PARALLELS THAT I WANT TO AVOID.
17 I DON'T WANT TO HAVE ANY STRANDED COSTS OUT THERE. THE
18 STRANDED COSTS FOR THE BIOMASS FACILITIES AND SO4
19 CONTRACTS WERE CAPTURED AND BOUGHT FOR BY AB 1890. WE
20 HAVE THAT SAME BENEFIT AT THE LOCAL LEVEL, AS MR. JONES
21 POINTED OUT TO ME QUITE AWHILE AGO, THAT A LOT OF THOSE
22 FACILITIES YOU CAN'T DO A BOND LIKE IN SAN MARCOS
23 FACILITY WHEN THEY GOT BAILED OUT IN THE PUBLIC SECTOR.
24 WELL, THE PRIVATE INDEPENDENT FACILITIES THAT WE'VE
25 INVESTED ALL THE MONEY INTO FOR MRF'S AND COMPOST



1 FACILITIES, WILL THEY WANE WHEN THE CHEAP DISPOSAL
2 CAPACITY AND THE MEGA LANDFILLS PREVAIL AS AN OUT
3 THERE?

4 BEYOND 2000, IT'S NOT BEYOND REALITY. I
5 THINK THESE ARE VALID QUESTIONS THAT WE ALL NEED TO
6 LOOK AT. THANK YOU.

7 BOARD MEMBER EATON: I JUST HAVE ONE QUESTION
8 OF MR. EDGAR. WHAT BOX DO WE PUT YOU IN?

9 MR. EDGAR: I'VE ALWAYS BEEN OUT OF THE BOX.
10 THANKS.

11 CHAIRMAN PENNINGTON: MR. CHESBRO.

12 BOARD MEMBER CHESBRO: WELL, I THINK THAT THE
13 MOST IMPORTANT PIECE OF INFORMATION THAT I HEARD IN
14 EVAN'S PRESENTATION WAS THE IMPORTANCE OF FOCUSING ON
15 THE BROAD-BASED IMPACTS AND BENEFITS AND NOT JUST ON
16 THE LANDFILL CAPACITY AND THE COST OF LANDFILLING. AND
17 I THINK THAT'S GOING TO BE A VERY, VERY IMPORTANT PIECE
18 OF WHAT WE EXAMINE HERE IS WHAT IS THE VALUE -- HERE'S
19 AN EXAMPLE WITH THE DOLLAR FIGURE, BUT, YOU KNOW,
20 HEWLETT PACKARD IN ROSEVILLE SPENDING A MILLION DOLLARS
21 A YEAR LESS ON DISPOSAL. WELL, THAT DOESN'T HAVE TO DO
22 WITH THE CAPACITY QUESTION IN CALIFORNIA. IT HAS TO DO
23 WITH WHAT DOES THAT DO FOR THAT BUSINESS AND ITS
24 COMPETITIVE STATUS? THAT'S JUST ONE EXAMPLE. THAT'S
25 THE KIND OF THING WE HAVE TO EXAMINE, I THINK.



1 I WOULD MOVE THE STAFF'S RECOMMENDATION
2 WITH THE ADDITION THAT WE HAVE MAXIMUM BOARD
3 INVOLVEMENT IN THE CONSULTANT SELECTION PROCESS, THE
4 DEVELOPMENT OF THE RFP, AND THE SCOPE OF WORK. I
5 DIDN'T TAKE NOTES AS EACH OF YOU MADE SUGGESTIONS ABOUT
6 WHAT THAT MEANT. I WOULD LEAVE IT AT THAT BROADER
7 LANGUAGE UNLESS SOMEBODY WANTS TO PROPOSE A DETAILED,
8 MORE DETAILED DESCRIPTION.
9 I ALSO WANTED TO, IN ADDITION, INCLUDE
10 THE PART THAT I ADDRESSED WITH REGARDS TO ADDRESSING
11 THE QUESTION OF BROADLY BASED STAKEHOLDER INVOLVEMENT
12 IN THE PROCESS AS WELL.

13 CHAIRMAN PENNINGTON: I'LL SECOND THE MOTION.
14 IF THERE'S NO --

15 BOARD MEMBER EATON: AND JUST WITH THE
16 PARTICIPATION THAT WE HAD EXPLAINED SORT OF UP THROUGH
17 HERE WITH IN TERMS OF SELECTION AND SCOPE OF WORK AND
18 THOSE KINDS OF THINGS, CORRECT? GREAT.

19 CHAIRMAN PENNINGTON: THAT'S WHAT, I BELIEVE,
20 MR. CHESBRO HAD IN MIND.

21 BOARD MEMBER JONES: CAN I ASK A QUESTION ON
22 THAT?

23 CHAIRMAN PENNINGTON: CERTAINLY, MR. JONES.

24 BOARD MEMBER JONES: HOW IS THAT GOING TO
25 LOOK? IS THAT GOING TO BE SOMETHING CIRCULATED FROM



1 OFFICE TO OFFICE? IS IT GOING TO BE SOMETHING WHERE A
2 COUPLE OF US ARE GOING TO MEET, OR WHAT'S THAT GOING TO
3 LOOK LIKE?

4 CHAIRMAN PENNINGTON: WHAT'S WHAT GOING TO
5 LOOK LIKE?

6 BOARD MEMBER JONES: FOR US TO GET INVOLVED IN
7 WHAT THE SCOPE OF WORK IS GOING TO LOOK LIKE.

8 CHAIRMAN PENNINGTON: EACH OFFICE WILL GET A
9 COPY OF THE SCOPE OF WORK, AND I THINK THERE'S A
10 PROCESS THAT INVOLVES MRS. WESTLAKE AND THAT EACH
11 OFFICE CIRCULATES IT, TALKS - -

12 BOARD MEMBER EATON: HOPEFULLY AT THE SAME
13 TIME THE WAY IT WILL WORK IS THAT THERE WILL BE TWO
14 FROM THE EXECUTIVE STAFF, WHETHER THAT BE KEITH AND
15 RALPH OR WHOMEVER THEIR DESIGNEES MIGHT BE, AND THEN
16 TWO BOARD MEMBERS AND THEN TWO ADVISORS WHO ARE NOT
17 PART OF THAT BOARD MEMBER'S OFFICE SIT DOWN AND HELP
18 WORK THROUGH SOME OF THE FACILITATING, GETTING THE
19 STUFF CIRCULATED, GETTING THE STUFF IN AND MOVING
20 QUICKLY, AND THEY CAN FACILITATE AND GET STUFF MOVING,
21 AND WE DON'T EVEN HAVE TO WORRY ABOUT SITTING HERE
22 DEBATING. THEY WILL HAVE HOPEFULLY REACHED A
23 CONSENSUS. I THINK THAT IT'S WORKED WELL, AND WHAT
24 I'VE SEEN IN TERMS OF THINGS MOVING, THIS IS SORT OF AN
25 ACTION TEAM FOR US THAT GETS THINGS MOVING.



1 BOARD MEMBER JONES: I DON'T HAVE ANY PROBLEM
2 WITH THAT. WHAT I -- BUT THINK IT NEEDS TO BE TWO FROM
3 THE EXECUTIVE STAFF AND TWO BOARD MEMBERS, PERIOD,
4 BECAUSE IF YOU INVOLVE TWO ADVISORS, THEY'RE PART OF
5 THE DELIBERATIVE PROCESS, AND THAT'S A VIOLATION. SO I
6 JUST THINK IT NEEDS TO BE TWO AND TWO.

7 BOARD MEMBER EATON: BUT IT'S NOT A
8 DELIBERATIVE PROCESS. SEE, THAT'S YOUR MISASSUMPTION.

9 BOARD MEMBER JONES: ARE THEY GOING TO TALK
10 ABOUT AND NEGOTIATE WHAT'S GOING TO BE IN IT?

11 BOARD MEMBER EATON: NO. THEY TALK ABOUT THE
12 FACT HOW THE PROCESS, GATHERING UP ALL OF THE MATERIAL,
13 THOSE WHO MIGHT BE ON A LIST, AND THEN THAT IS BROUGHT
14 FORWARD. THAT'S JUST GOOD WORK. THAT IS NOT AN OPEN
15 GOVERNMENT PROBLEM. YOU FAIL TO SEE THAT THAT - -
16 THEY'RE NOT THE FINAL DECISION MAKERS.

17 BOARD MEMBER JONES: NO. I AGREE WITH YOU IN
18 CONCEPT, BUT THAT'S NOT WHAT I READ. SO WHAT I READ
19 SAYS THAT IT CAN BE TWO, AND IT CAN'T EVEN BE -- I
20 DON'T HAVE ANY PROBLEM WITH THE PROCESS GOING, SO I
21 DON'T CARE IF IT'S YOU AND WHOEVER ELSE. I JUST DON'T
22 WANT TO GO --

23 BOARD MEMBER EATON: THEN I'LL VOLUNTEER.

24 BOARD MEMBER JONES: I JUST DON'T WANT TO GO,
25 YOU KNOW, INTO FOUR BECAUSE IT'S AGAINST THE



1 BAGLEY-KEENE.

2 CHAIRMAN PENNINGTON: ARE WE TALKING ABOUT --

3 BOARD MEMBER EATON: I DON'T KNOW IF THAT'S

4 EVER BEEN SAID.

5 CHAIRMAN PENNINGTON: ARE WE TALKING ABOUT THE

6 SCOPE OF WORK FOR THE CONSULTANT AND THAT -- IS THAT

7 WHAT YOU ARE TALKING ABOUT FORMING THIS COMMITTEE FOR?

8 BOARD MEMBER JONES: I DON'T KNOW.

9 BOARD MEMBER EATON: IT'S NOT FORMING A

10 COMMITTEE. YOU SEE, IT'S A WORK GROUP. IF YOU ARE

11 FORMING A COMMITTEE, IT'S A WHOLE DIFFERENT BALL GAME

12 HERE. AND WHAT WE'RE TALKING ABOUT IS GETTING THE

13 CONSULTANT ON BOARD, GATHERING THAT UP SO THEY CAN

14 BRING IT BACK TO THE BOARD FOR OUR APPROVAL. I DON'T

15 THINK THAT'S A COMMITTEE. THAT'S NOT A COMMITTEE WHERE

16 WE MEET AND WHAT HAVE YOU. I THINK IT'S A WORKING

17 GROUP BY WHICH WE CAN FORMULATE AND BEGIN TO TAKE SOME

18 LEADERSHIP AND FIGURE OUT WHAT WE WANT TO DESIGN. IT'S

19 THAT SIMPLE.

20 CHAIRMAN PENNINGTON: I THINK THAT'S FINE. I

21 JUST AM SUGGESTING THAT THERE'S NO REASON IN TERMS OF

22 THE SCOPE OF WORK AND THE CONCEPT THAT WE CAN'T USE THE

23 PROCESS THAT WE ALREADY HAVE. WHY CREATE A PROCESS --

24 BOARD MEMBER EATON: BECAUSE IT DOESN'T GO --

25 IT'S THE SAME OLD BOX. IT'S SOMETHING THAT WE WANT TO



1 LOOK AT AND GET OUR INVOLVEMENT IN.

2 CHAIRMAN PENNINGTON: IN TERMS OF HIRING THE
3 CONSULTANT?

4 BOARD MEMBER EATON: YES, ABSOLUTELY. THIS
5 IS A PROJECT FOR US AS A BOARD TO LOOK AT AND TO LOOK
6 FOR WHAT WE'RE DOING AND TO BE ABLE TO ARTICULATE THE
7 KINDS OF THINGS AND THE KINDS OF CONSULTANTS WE WANT.
8 I DON'T THINK IT'S -- YOU KNOW, I DON'T THINK WE NEED
9 TO GO INTO A BIG DISCUSSION AND GET ANXIOUS ABOUT THIS.
10 I THINK WHAT WE'VE DONE HERE WITH THE MOTION IS
11 ARTICULATED WHAT IT IS WE WANT. IT'S GOING TO BE
12 SOMETHING THAT EVOLVES. THIS IS ONLY THE FIRST STEP.
13 I MEAN THERE'S GOING TO BE SO MANY STEPS IN THIS PASS
14 THAT, YOU KNOW, HOPEFULLY THE GOAL IS THAT EACH OF US
15 WITH THE STRENGTH AND WISDOM THAT WE HAVE CAN PICK EACH
16 OTHER UP OR ONE OR TWO OF US UP AS WE TRIP AND WE FALL
17 ALONG THIS PATH.

18 I DON'T LOOK FOR THIS -- THIS IS A
19 JOURNEY AS OPPOSED TO A SITUATION. WE MIGHT AS WELL
20 GET OFF ON THE RIGHT STEP. AND BY THAT IS LET'S SET
21 THE TONE, LET'S GET THE PEOPLE INVOLVED, LET'S FEEL
22 THAT EACH OF THE OFFICES ARE INVOLVED IN A FORUM. AND
23 THAT'S WHAT I'VE TRIED TO DO. I'VE TRIED TO PRESENT
24 THE FORUM BY WHICH EACH OF THE OFFICES CAN BE
25 INVOLVED, THE EXECUTIVE STAFF, AS WELL AS THE MEMBER



1 STAFF. IT'S THAT SIMPLE.

2 BOARD MEMBER JONES: MR. CHAIRMAN.

3 CHAIRMAN PENNINGTON: YES, MR. JONES.

4 BOARD MEMBER JONES: I DON'T HAVE -- MR.

5 EATON, I AGREE WITH WHAT YOU ARE TRYING TO DO. I DON'T

6 HAVE ANY PROBLEM WITH THAT. I LIKE IT THAT IT'S TWO

7 EXECUTIVE AND TWO BOARD MEMBERS. I JUST HAVE A PROBLEM

8 WITH -- LET'S JUST DO TWO BOARD MEMBERS AND THE

9 EXECUTIVE TEAM, WHOEVER IS THERE. THAT'S ALL -- AND

10 THEN CIRCULATE IT AMONG OUR OFFICES FOR COMMENT.

11 CHAIRMAN PENNINGTON: RIGHT. I MEAN I THINK

12 IN TERMS OF JUST FINDING A CONSULTANT, I DON'T THINK WE

13 NEED TO GET, YOU KNOW, ANOTHER LAYER OF BUREAUCRACY

14 HERE. AND I THINK THAT'S WHAT WE'RE DOING. I THINK WE

15 HAVE A SYSTEM FOR LOOKING AT THE SCOPE OF WORK THAT WE

16 EXPECT THE CONSULTANT TO DO. I DON'T MIND IF WE PICK

17 THREE OR FOUR PEOPLE TO PICK THE CONSULTANT OR MAKE A

18 RECOMMENDATION TO THE BOARD. IF THAT'S WHAT YOU ARE

19 TALKING ABOUT, THAT'S FINE WITH ME. I DON'T HAVE A

20 PROBLEM WITH THAT. BUT TO GO THROUGH THE SCOPE OF WORK

21 AND GET A WHOLE DIFFERENT SET OF PEOPLE INVOLVED, I

22 JUST THINK WE'RE --

23 BOARD MEMBER CHESBRO: I THINK MR. EATON'S

24 INTENTION WAS TO PUT THE BOARD IN AS MUCH OF A

25 LEADERSHIP ROLE IN THE SPECIFIC DECISIONS ALONG THE



1 WAY. I'M GOING BACK TO HIS FIRST COMMENTS HE MADE
2 AFTER MR. CHANDLER FINISHED HIS COMMENTS.
3 I INTENTIONALLY MADE THE MOTION KIND OF
4 GENERAL SO WE COULD MOVE OFF THE DIME HERE, BUT MY - -
5 BUT THE INTENTION OF THE MOTION IS CLEARLY TO HAVE
6 BOARD MEMBERS ON A WORKING GROUP WITH THE EXECUTIVE
7 DIRECTOR, EXECUTIVE STAFF, I SHOULD SAY, FOR SELECTION
8 IN TERMS OF -- IN ORDER FOR IT NOT TO BE A COMMITTEE.
9 I DIDN'T INCLUDE THAT IN THE MOTION AS TO HOW MANY
10 DOING THIS OR THAT. I'M GOING --

11 CHAIRMAN PENNINGTON: NO MATTER WHAT WE CALL
12 IT --

13 BOARD MEMBER CHESBRO: I'M JUST GOING TO LEAVE
14 IT GENERAL AND SAY THAT IF THE CHAIRMAN AND MR. EATON
15 COULD WORK WITH THE EXECUTIVE OFFICE TO FIGURE OUT THAT
16 CONFIGURATION, I'LL LEAVE IT GENERAL IN THE MOTION.

17 CHAIRMAN PENNINGTON: THAT'S FINE. OKAY. IF
18 THERE'S NO FURTHER DISCUSSION, WILL THE SECRETARY CALL
19 THE ROLL, PLEASE.

20 THE SECRETARY: BOARD MEMBER AMODIO. ABSENT.

21 BOARD MEMBER CHESBRO.

22 BOARD MEMBER CHESBRO: AYE.

23 THE SECRETARY: EATON.

24 BOARD MEMBER EATON: AYE.

25 THE SECRETARY: FRAZEE.



1 BOARD MEMBER FRAZEE: AYE.

2 THE SECRETARY: JONES.

3 BOARD MEMBER JONES: AYE.

4 THE SECRETARY: CHAIRMAN PENNINGTON.

5 CHAIRMAN PENNINGTON: AYE. MOTION CARRIES.

6 IF THERE'S -- DID OPEN COMMENT YESTERDAY.

7 IF THERE'S ANYBODY THAT WANTS TO MAKE AN OPEN COMMENT.

8 IF NOT, WE WILL ADJOURN.

9

10 (THE MEETING WAS THEN ADJOURNED AT 12:35 P.M.)

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Reporter's Certificate

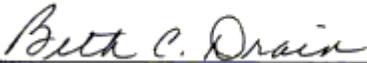
* * * * *

I, Beth C. Drain hereby certify:

that on the 28th day of
May, 1998, I did report in
shorthand the testimony of the foregoing
proceedings;

that on the conclusion of the above entitled
matter, I did transcribe my shorthand notes into
typewriting;

that the foregoing transcript is a true and correct
record of my shorthand notes thereof.



Certified Shorthand Reporter
Certificate No. 7152

