

Please note: These transcripts are not individually approved and reviewed for accuracy.

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BEFORE THE  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

IN THE MATTER OF THE:

REGULAR MONTHLY BUSINESS )  
MEETING )  
\_\_\_\_\_ )

DATE AND TIME: THURSDAY, AUGUST 13, 1998  
1:30 O'CLOCK P.M.

PLACE: BOARD HEARING ROOM  
8800 CAL CENTER DRIVE  
SACRAMENTO, CALIFORNIA 95826

REPORTER: CYNTHIA L. HALL  
CERTIFICATE NO. 10064

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A P P E A R A N C E S

Mr. Daniel G. Pennington, Chairman  
Mr. Robert C. Frazee, Vice Chairman  
Mr. Dan Eaton, Member  
Mr. Steven R. Jones, Member

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I N D E X

	PAGE
<u>CALL TO ORDER</u> .....	6
<u>EX PARTE COMMUNICATIONS</u> .....	7
<u>PROCEDURES AND ANNOUNCEMENTS</u> .....	8
<u>AGENDA ITEM NO. 1: REPORT FROM THE EXECUTIVE DIRECTOR</u> .....	9
<u>AGENDA ITEM NO. 3: REPORT ON THE STATUS OF THE 21ST CENTURY POLICY DEVELOPMENT PROCESS</u> .....	17
<u>AGENDA ITEM NO. 4: CONSIDERATION OF CONSENT AGENDA ITEMS</u> .....	17
<u>AGENDA ITEM NO. 7: CONSIDERATION OF STAFF RECOMMENDATION TO CHANGE THE BASE-YEAR FROM 1990 TO 1996 FOR THE PREVIOUSLY-APPROVED SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE CITY OF SHAFTER, KERN COUNTY</u> .....	18, 92
<u>AGENDA ITEM NO. 8: CONSIDERATION OF STAFF RECOMMENDATION TO CHANGE THE BASE-YEAR GENERATION AMOUNT FOR THE PREVIOUSLY-APPROVED SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE CITY OF ARCADIA, LOS ANGELES COUNTY</u> .....	23
<u>AGENDA ITEM NO. 9: CONSIDERATION OF STAFF RECOMMENDATION TO CHANGE THE BASE-YEAR GENERATION AMOUNT FOR THE PREVIOUSLY-APPROVED SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE CITY OF ROSEMEAD, LOS ANGELES COUNTY</u> .....	28
<u>AGENDA ITEM NO. 13: CONSIDERATION OF STAFF RECOMMENDATION ON THE BIENNIAL REVIEW FINDINGS FOR THE SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE FOLLOWING JURISDICTIONS</u> .....	30
<u>AGENDA ITEM NO. 15: CONSIDERATION OF STAFF RECOMMENDATION ON THE PETITION TO REDUCE THE PLANNING REQUIREMENTS ON THE SUMMARY PLAN FOR INYO COUNTY</u> .....	33

I N D E X (CONTINUED)

	PAGE
<u>AGENDA ITEM NO. 18: CONSIDERATION OF APPOINTMENT OF A LOAN COMMITTEE MEMBER FOR THE RECYCLING MARKET DEVELOPMENT ZONE LOAN PROGRAM</u> .....	40
<u>AGENDA ITEM NO. 19: CONSIDERATION OF THE ANNUAL STATUS REPORT FOR THE NEWSPRINT CERTIFICATION PROGRAM AND RECOMMENDATIONS CONCERNING AUDITS OF NEWSPRINT CONSUMERS</u> .....	42
<u>AGENDA ITEM NO. 20: UPDATE ON RECYCLING MARKET DEVELOPMENT REVOLVING LOAN PROGRAM CONTRACTS FOR 1) LOAN SERVICING; 2) LOAN CLOSING; AND, 3) SPECIALIZED CREDITOR ASSISTANCE (LEGAL SERVICES)</u> .....	65
<u>AGENDA ITEM NO. 22: CONSIDERATION OF APPROVAL OF PROPOSED RANKING CRITERIA AND SCORING PROCESS FOR TWO FISCAL YEAR 1998-99 TIRE RECYCLING GRANTS: (1) LOCAL GOVERNMENT PUBLIC EDUCATION AND AMNESTY DAY GRANTS AND (2) LOCAL GOVERNMENT PLAYGROUND COVER AND SURFACING GRANTS</u> .....	73
<u>OPEN DISCUSSION</u> .....	99
<u>ADJOURNMENT:</u> .....	100

1  
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3  
4  
5  
6  
7  
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SACRAMENTO, CALIFORNIA:

THURSDAY, AUGUST 19, 1998, 1:40 O'CLOCK P.M.

—oOo—

CALL TO ORDER

CHAIRMAN PENNINGTON: GOOD AFTERNOON,

AND WELCOME TO THE AUGUST 13TH, 1998, MEETING  
OF THE CALIFORNIA INTEGRATED WASTE MANAGEMENT  
BOARD.

AT THE JULY 29, 1998, BOARD MEETING

THE BOARD APPROVED A NEW ORGANIZATIONAL  
STRUCTURE FOR CONDUCTING OF BOARD BUSINESS.

THE BOARD SUSPENDED COMMITTEE MEETINGS AND  
ADOPTED A PROCESS THAT ALLOWS THE BOARD TO MEET  
MORE OFTEN AND TO HAVE MORE WORKING GROUPS TO  
ADDRESS SPECIFIC TERMED BOARD PROJECTS WHEN  
NEEDED.

AS WITH ANY NEW PROCESS THERE MAY  
BE SOME STUMBLING BLOCKS RESULTING IN A NEED TO  
MAKE CHANGES TO ENSURE EFFICIENT AND PRODUCTIVE  
MEETINGS. I INVITE THE PUBLIC, THE BOARD  
STAFF, AND MY FELLOW BOARD MEMBERS TO GIVE ME  
CONSTRUCTIVE SUGGESTIONS FOR CHANGES AS WE  
PROCEED ALONG THIS NEW STRUCTURE.

I WOULD LIKE TO ALSO ASK THAT THE  
MEMBERS OF THE PUBLIC PROVIDE ME WITH COMMENTS

1 ON THE IMPACTS OF THE STRUCTURE ON THEIR  
2 RELATIONSHIP WITH THE BOARD AND THE BOARD  
3 STAFF. ALL COMMENTS RECEIVED WILL BE SHARED  
4 WITH MY COLLEAGUES AND WE WILL WORK TOGETHER TO  
5 IMPROVE THE STRUCTURE. IT WILL BE THROUGH OPEN  
6 COMMUNICATIONS THAT THE BOARD WILL BE ABLE TO  
7 DETERMINE THE MOST EFFECTIVE STRUCTURE FOR  
8 CONDUCTING BOARD BUSINESS AND CARRYING OUT THE  
9 RESPONSIBILITIES UNDER THE LAW AND BEST SERVE  
10 THE CITIZENS OF CALIFORNIA.

11 SECRETARY, WILL YOU PLEASE CALL THE  
12 ROLL NOW?

13 THE SECRETARY: BOARD MEMBER EATON?

14 MEMBER EATON: HERE.

15 THE SECRETARY: FRAZEE?

16 MEMBER FRAZEE: HERE.

17 THE SECRETARY: JONES?

18 MEMBER JONES: HERE.

19 THE SECRETARY: CHAIRMAN PENNINGTON?

20 CHAIRMAN PENNINGTON: HERE.

21 WE DO HAVE A QUORUM. BARELY, BUT WE  
22 HAVE ONE. AS THE PUBLIC WILL NOTE, BOARD  
23 MEMBER CHESBRO IS NOT HERE TODAY. HE IS  
24 CURRENTLY ON LEAVE OF ABSENCE AND, THEREFORE,  
25 HIS NAME WILL NOT BE INCLUDED IN ANY ROLL CALLS

1 TODAY.

2 I'LL START WITH, MR. EATON, DO YOU

3 HAVE ANY *EX PARTE*?

4 EX PARTE COMMUNICATIONS

5 MEMBER EATON: YES, I HAVE ONE

6 ADDITIONAL FROM THIS MORNING. I SPOKE WITH

7 GORDON HART OF THE LAW FIRM OF PAUL HASTINGS

8 AND JANOFSKY OUT OF SAN FRANCISCO REGARDING

9 SUPER-FUND LEGISLATION AND THE ATTEMPT BY ONE

10 AGENCY TO TRY AND OBTAIN FUNDS FROM ONE OF OUR

11 ACCOUNTS FOR THEIR PURPOSES.

12 CHAIRMAN PENNINGTON: MEMBER JONES?

13 MEMBER JONES: ACTUALLY, MINE ARE ALL

14 UP TO DATE.

15 CHAIRMAN PENNINGTON: VERY GOOD. MR.

16 FRAZEE?

17 MEMBER FRAZEE: YES. I HAD A BRIEF

18 CONVERSATION WITH DAVE CAREY, A CONSULTANT WITH

19 THE CITY OF SAN DIEGO AT THE AIRPORT THIS

20 MORNING.

21 CHAIRMAN PENNINGTON: VERY GOOD. AND I

22 HAVE NOTHING TO REPORT. I BELIEVE ALL MINE ARE

23 UP TO DATE.

24 SPEAKER REQUEST FORMS ARE AT THE

25 BACK OF THE ROOM. IF ANYBODY WISHES TO ADDRESS

1 AN ITEM ON THE AGENDA, IF YOU'D FILL ONE OF  
2 THOSE OUT AND GET THEM TO MS. LOPEZ WE WILL  
3 MAKE SURE THAT YOU GET AN OPPORTUNITY TO SPEAK.

4 PROCEDURES AND ANNOUNCEMENTS

5 CHAIRMAN PENNINGTON: ANNOUNCEMENTS.

6 ITEM 2 HAS BEEN PULLED FROM THE AGENDA. ITEM  
7 7, 8, 9 AND 13 HAVE BEEN PULLED FROM THE  
8 CONSENT CALENDAR AND WILL BE HEARD BY THE BOARD  
9 TODAY. ITEMS 5, 16, 17, AND 21 WILL BE HEARD  
10 AT THE BOARD'S AUGUST 26TH AND 27TH MEETING.  
11 NOW WE'LL GO TO THE REPORT FROM THE  
12 EXECUTIVE DIRECTOR.

13 MEMBER JONES: 5, 6, and 7?

14 CHAIRMAN PENNINGTON: SURE, LET ME GO  
15 THROUGH THAT AGAIN. ITEMS 5, 16, 17, AND 21.  
16 BEFORE WE MOVE TO THE EXECUTIVE  
17 DIRECTOR'S REPORT, ARE THERE ANY MEMBERS --  
18 SINCE WE'RE NOT GOING TO HAVE ANY COMMITTEE  
19 REPORTS, I DIDN'T KNOW WHETHER ANYBODY WANTED  
20 TO HAVE SOME STATEMENT THEY WANTED TO MAKE  
21 OR...? OKAY.

22 MEMBER EATON: NO.

23 MEMBER FRAZEE: NONE FROM ME.

24 CHAIRMAN PENNINGTON: THEN WE'LL  
25 MOVE TO THE EXECUTIVE DIRECTOR, MR. CHANDLER.

1                                   AGENDA ITEM NO. 1: REPORT FROM THE

2   EXECUTIVE DIRECTOR

3                                   MR. CHANDLER: THANK YOU, MR. CHAIRMAN,

4 AND GOOD AFTERNOON BOARD MEMBERS. I'M PLEASED

5 TO HAVE THE FIRST OF TWO OPPORTUNITIES THIS

6 MONTH TO GIVE YOU AN UPDATE UNDER OUR NEW

7 MEETING SCHEDULE.

8 FIRST OF ALL, I'D LIKE TO INTRODUCE

9 TO YOU AND TO THE PUBLIC OUR INTERIM DEPUTY

10 DIRECTOR FOR THE PERMITTING AND ENFORCEMENT

11 DIVISION, THAT WOULD BE JULIE ANN NIEMAN.

12 JULIE WILL ASSUME THE FULL COMPLEMENT OF DUTIES

13 AND RESPONSIBILITIES AS THE DEPUTY DIRECTOR

14 POSITION DURING THE PERIOD WHILE DOROTHY RICE

15 IS OUT ON MATERNITY LEAVE.

16 JULIE COMES TO THE BOARD WITH

17 EXTENSIVE MANAGEMENT EXPERIENCE IN BOTH THE

18 PRIVATE AND PUBLIC SECTORS. SINCE 1990 JULIE'S

19 SERVED AS THE PRINCIPAL IN CHARGE OF THE

20 SACRAMENTO OFFICE OF THE PLANNING CENTER

21 RESPONSIBLE FOR A WIDE RANGE OF PLANNING AND

22 ENVIRONMENTAL PROJECTS. FROM 1984 TO 1990 SHE

23 SERVED AS CHIEF DEPUTY DIRECTOR AND ACTING

24 DIRECTOR FOR THE CALIFORNIA DEPARTMENT OF

25 HOUSING. AND PRIOR TO THAT, JULIE WAS CHIEF

1 CONSULTANT TO THE ASSEMBLY LOCAL GOVERNMENT  
2 COMMITTEE FOR 10 YEARS IN THE STATE ASSEMBLY.  
3 IT'S A PLEASURE TO HAVE JULIE ON BOARD.  
4 I WOULD ALSO LIKE TO UPDATE YOU ON  
5 TWO ISSUES REGARDING WASTE TIRES. THE FIRST IS  
6 THE MAJOR FIRE AT THE SF ROYSTER WASTE TIRE  
7 FACILITY NEAR TRACY. THAT BROKE OUT LAST  
8 FRIDAY AFTERNOON.  
9 P&E STAFF ARRIVED ON THE SITE  
10 WITHIN TWO HOURS AFTER THE FIRE ERUPTED AND HAS  
11 WORKED CLOSELY WITH OES, THE CALIFORNIA  
12 DEPARTMENT OF FORESTRY FIRE-FIGHTING TEAMS,  
13 U.S. EPA AND OTHER STATE AND LOCAL EMERGENCY  
14 STAFF. IN ADDITION, CHAIRMAN PENNINGTON AND  
15 MYSELF WENT TO THE SITE ON SATURDAY TO GET A  
16 FIRSTHAND LOOK AT THE RESPONSE.  
17 I WANT TO REMIND YOU THAT THE BOARD  
18 STAFF HAS BEEN WORKING TO RESOLVE THIS PROBLEM  
19 SITE FOR MORE THAN FOUR YEARS, BUT HAD BEEN  
20 DELAYED BY MR. ROYSTER'S CONTINUING LEGAL  
21 MANEUVERING AS HE CHALLENGED THE BOARD'S  
22 AUTHORITY TO REGULATE HIS PILE.  
23 IN LATE MAY THE BOARD FINALLY HAD  
24 THE AUTHORITY TO ACT AND QUICKLY REFERRED THE  
25 CASE TO THE ATTORNEY GENERAL'S OFFICE. AT THE

1 SAME TIME WE SENT ONE LAST LETTER TO MR.  
2 ROYSTER SEEKING COMPLIANCE. WHEN THE RESPONSE  
3 WAS NOT SATISFACTORY, THE A.G.'S OFFICE FILED  
4 SUIT ON JULY 17TH TO FORCE MR. ROYSTER TO  
5 COMPLY WITH THE BOARD'S NOTICE AND ORDER TO  
6 BEGIN REMOVING THE ESTIMATED SEVEN MILLION  
7 TIRES AND TO SEEK PENALTIES.  
8 IN THE WAKE OF THE FIRE, I WANT TO  
9 ASSURE YOU THAT BOARD STAFF IS SHIFTING EFFORTS  
10 TOWARDS TAKING EVERY STEP POSSIBLE TO SEEK COST  
11 RECOVERY FOR THE CLEANUP COSTS THAT LOOM IN THE  
12 MONTHS AHEAD. ONCE THE FIRE BURNS OUT WE WILL  
13 BE WORKING WITH U.S. EPA, CAL EPA AND OTHER  
14 AGENCIES TO RECOMMEND TO YOU THE BEST COURSE OF  
15 ACTION.  
16 IT'S IMPORTANT TO ALSO REMEMBER  
17 THAT HAD MR. ROYSTER COMPLIED WITH THE  
18 PERMITTING PROVISIONS REQUIRING FIRE-FIGHTING  
19 CAPABILITY, FIRE BREAKS, AND THE SIZE AND  
20 HEIGHT OF TIRE PILES, THIS FIRE COULD AT LEAST  
21 HAVE BEEN CONTAINED QUICKLY AND QUITE POSSIBLY  
22 PREVENTED ALL TOGETHER.  
23 I'D ALSO LIKE TO COMMEND SOME OF  
24 THE STAFF WHO HAVE DONE AN OUTSTANDING JOB OVER  
25 THE PAST FEW DAYS INCLUDING CODY BEGLEY, TODD

1 THALHAMER, WES MINDERMAN, TOM MICKA, BERNIE  
2 VLACH, AND BOB FUJII OF THE P&E DIVISION; SUSAN  
3 SMALL OF THE LEGAL OFFICE; AND JOHN FRITH, ERIC  
4 LAMOUREUX, AND LANNIE CALVACECILLA OF THE  
5 PUBLIC AFFAIRS OFFICE.  
6 I'M ALSO HAPPY TO REPORT THAT THE  
7 BOARD RECENTLY COMPLETED THE CLEANUP OF THE  
8 LLOYDS BAILING ILLEGAL TIRE PILE IN SOUTHERN  
9 CALIFORNIA. THE BOARD WAS FORCED TO TAKE  
10 ENFORCEMENT ACTIONS AGAINST THE SITE AND  
11 CONDUCT THE BOARD-SPONSORED CLEANUP WHEN THE  
12 OWNERS OF THE FACILITY REFUSED TO REMOVE THE  
13 ESTIMATED ONE MILLION TIRES FROM THE PROPERTY.  
14 TYPICALLY, A CLEANUP OF THIS  
15 MAGNITUDE CAN BE VERY COMPLICATED AND  
16 LOGISTICAL PROBLEMS THAT CAN CAUSE PROJECT  
17 DELAYS ARE OFTEN COMMON. HOWEVER, AS A RESULT  
18 OF THE BOARD STAFF WORKING WITH CHICAGO GRADE  
19 STAFF, PROBLEMS THAT COULD HAVE CAUSED THE  
20 DELAYS WERE RESOLVED BEFORE THEY COULD  
21 ADVERSELY AFFECT THE PROGRESS OF THIS CLEANUP.  
22 IN FACT, THE CLEANUP WAS  
23 SUCCESSFULLY COMPLETED ON JUNE 19TH, ONE FULL  
24 YEAR AHEAD OF SCHEDULE AND UNDER BUDGET. THE  
25 SUCCESS OF THIS PROJECT WAS DUE, IN LARGE PART,

1 TO THE EFFORTS OF MICHAEL HOOVER, THE MANAGER  
2 OF CHICAGO GRADE LANDFILL; HIS SUBCONTRACTOR  
3 JAKE WILLIAMS, AND BOARD STAFF, INCLUDING  
4 CATHERINE TOBIAS, LIZ CLAYTON FROM THE LEGAL  
5 OFFICE, AND STACY PATENAUE -- I APOLOGIZE,  
6 STACY, IF I DIDN'T GET THAT PRONUNCIATION  
7 CORRECT -- AND GALE REHBERG AND BOB FUJI OF THE  
8 PERMITTING AND ENFORCEMENT DIVISION.  
9 FINALLY, ON MONDAY, THE WEB SITE  
10 FOR OUR RUBBERIZED, ASPHALT AND TECHNICAL  
11 RESOURCE CENTER IN SOUTHERN CALIFORNIA WILL GO  
12 ON LINE AT WWW.RUBERIZEDASLPHALT.ORG.  
13 AND THAT CONCLUDES MY REPORT.  
14 THANK YOU.

15 CHAIRMAN PENNINGTON: THANK YOU, MR.  
16 CHANDLER.

17 ANY QUESTIONS OF MR. CHANDLER?

18 MEMBER JONES: MR. CHAIRMAN?

19

20 CHAIRMAN PENNINGTON: YES?

21 MEMBER JONES: JUST A COUPLE OF  
22 QUESTIONS.

23 I THINK ALL THE BOARD MEMBERS WANT  
24 TO THANK THE STAFF FOR REACTING THE WAY THEY  
25 DID. THEY DID A GOOD JOB AND THEY WERE THERE

1 AS A RESOURCE, AND THAT'S CRITICALLY IMPORTANT.  
2 WE HAD -- I KNOW WE'RE WAITING TO  
3 FUND A TRUCK THAT WOULD HAVE AIR EMISSIONS  
4 EQUIPMENT ON BOARD. IT WAS ALLOCATED IN OUR  
5 TIRE FUND ALLOCATION, AND WE'RE WORKING WITH  
6 CDF AND WHOEVER ELSE, OES, TO GET THAT THING  
7 PUT IN PLACE.  
8 AND I THINK THAT WHAT HAPPENED  
9 FRIDAY IS CRITICAL FOR THE PUBLIC AND EVERYBODY  
10 TO KNOW THAT HAD WE HAD THAT FIRE TRUCK ON SITE  
11 MAY -- YOU KNOW, I SAW NEWS REPORTS ON TV THAT  
12 SAID THINGS LIKE THERE'S NOTHING TO WORRY  
13 ABOUT, THIS IS JUST LIKE A FOREST FIRE, YOU  
14 KNOW, THE SMOKE'S NOT TOXIC, IT IS NOT A BIG  
15 DEAL. AND I THINK EVERYBODY IN THIS ROOM KNOWS  
16 THAT THAT'S NOT ACCURATE.  
17 I MEAN, THAT WHAT WE HAD WAS  
18 EXACTLY WHAT WE'VE BEEN WARNING PEOPLE ABOUT.  
19 WE HAD AN ENVIRONMENTAL DISASTER. AND I THINK  
20 THAT IT IS CRITICAL THAT WE HAVE THAT TRUCK AND  
21 THAT IT BE ON SITE SO THAT WE CAN DO AIR  
22 TESTING MONITORING AND LET PEOPLE KNOW JUST  
23 WHAT THE ISSUES ARE. BECAUSE IT IS NOT -- BY  
24 NO MEANS IS A FOREST FIRE -- THE SMOKE THAT  
25 COMES OUT OF A FOREST FIRE ANYTHING LIKE THE

1 SMOKE THAT COMES OUT OF THIS TIRE FIRE.  
2 THAT IS WHY, WHEN WE TALK ABOUT TDF  
3 ISSUES, WE ARE SO COGNIZANT ABOUT THE AIR, THE  
4 POLLUTION PREVENTION ISSUES THAT ARE INVOLVED  
5 WITH THOSE THINGS. WHEN WE TALK ABOUT  
6 RUBBERIZED ASPHALT, WE'RE TALKING ABOUT THE  
7 EMISSIONS THAT COME OFF OF THAT TIRE.  
8 IN FACT, WE HAD COMPLAINTS WHEN WE  
9 DID PLAYGROUND MATS AS TO THE TOXICITY OF SOME  
10 OF THAT MATERIAL.  
11 I DON'T WANT TO SEND A WAVE THAT  
12 THIS IS A TOXIC DISASTER, BUT I THINK WE WERE  
13 REAL FORTUNATE THAT THE WINDS WERE BLOWING THE  
14 WAY THAT THEY WERE, AND THAT THIS, IN FACT, WAS  
15 NOT THE SAME AS A FOREST FIRE. THIS WAS A  
16 PRETTY DEVASTATING CHAIN OF EVENTS IN THE STATE  
17 OF CALIFORNIA.  
18 50, I THINK THE QUICKER WE CAN GET  
19 THAT FIRE TRUCK, THE QUICKER WE CAN TAKE AIR  
20 EMISSIONS TESTING SO THAT THE PEOPLE IN  
21 CALIFORNIA ARE AWARE OF WHAT THE ISSUES ARE, I  
22 THINK THE BETTER OFF WE'RE ALL GOING TO BE.

23 CHAIRMAN PENNINGTON: THANK YOU, MEMBER  
24 JONES.

25 MR. CHANDLER: I WOULD ONLY JUST ADD

1 THAT I THINK THE EVENTS OVER THE LAST WEEK HAVE  
2 RAISED THE LEVEL OF CONSCIOUSNESS ON THE  
3 IMPORTANT OF HAVING A PROGRAM IN PLACE THAT CAN  
4 RAPIDLY RESPOND TO THESE KINDS OF EVENTS.  
5 AND PERHAPS IT WAS NO COINCIDENCE  
6 THAT AB-117 WAS HEARD TODAY IN THE  
7 ENVIRONMENTAL QUALITY COMMITTEE OF THE SENATE  
8 AND MOVED OUT WITH NO VOTES, WHICH WOULD EXTEND  
9 THE FEE, I BELIEVE, TO THE YEAR 2001, WITH A  
10 REPORT REQUIRED FROM THIS BOARD TO THE  
11 LEGISLATURE IN THE EARLY PART OF THE NEXT  
12 CALENDAR YEAR ASKING FOR RECOMMENDATIONS ON HOW  
13 THE PROGRAM SHOULD BE DESIGNED FOR ANY FUTURE  
14 LONG-TERM EXTENSION.  
15 SO, YOU HATE TO SEE THESE TYPES OF  
16 EVENTS OCCUR AT ANY TIME, BUT I DO THINK IT HAS  
17 RAISED THE AWARENESS OF THE PROBLEM THAT MANY  
18 CALIFORNIANS DON'T REALLY RECOGNIZE UNTIL AN  
19 EVENT LIKE THIS OCCURS.

20                   CHAIRMAN PENNINGTON: OKAY. WE'LL MOVE  
21 ON TO ITEM 3, A REPORT OF THE STATUS OF THE  
22 21ST CENTURY POLICY DEVELOPMENT PROCESS. MR.  
23 EATON, OR MEMBER JONES, OR BOTH.

24 /7

25 //

1 AGENDA ITEM NO. 3: REPORT ON THE STATUS OF THE

2 21ST CENTURY POLICY DEVELOPMENT PROCESS

3 MEMBER JONES: MR. CHAIRMAN, I THINK  
4 MR. EATON GAVE A WONDERFUL REPORT JUST SEVEN OR  
5 EIGHT DAYS AGO ABOUT THE 21ST CENTURY, AND  
6 WHILE WE ARE WORKING ON IN IT CONTINUALLY, I  
7 DON'T THINK THAT I WANT TO WASTE THE BOARD'S  
8 TIME WITH -- I HAVE NOTHING TO ADD AFTER MR.  
9 EATON'S LAST REPORT.

10 CHAIRMAN PENNINGTON: OKAY. APPRECIATE  
11 THAT, AND WE CAN MOVE ON TO ITEM NO. 4,  
12 CONSIDERATION OF THE CONSENT CALENDAR ITEMS.  
13 CONSENT CALENDAR INCLUDES ITEMS 6, 10, 11, 12,  
14 AND 14.

15 AGENDA ITEM NO. 4: CONSIDERATION OF CONSENT

16 AGENDA ITEMS

17 CHAIRMAN PENNINGTON: IS THERE ANY  
18 MEMBER WHO WISHES TO PULL ANY ADDITIONAL ITEMS  
19 OFF THE CONSENT CALENDAR?

20 MEMBER FRAZEE: IF NOT, I'LL MOVE THE  
21 ADOPTION OF THE CONSENT CALENDAR.

22 MEMBER JONES: I'LL SECOND.

23 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN  
24 MOVED AND SECONDED THAT THE CONSENT CALENDAR BE  
25 ADOPTED.

1 WILL THE SECRETARY CALL THE ROLL,

2 PLEASE?

3 THE SECRETARY: MEMBER EATON?

4 MEMBER EATON: AYE.

5 THE SECRETARY: FRAZEE?

6 MEMBER FRAZEE: AYE.

7 THE SECRETARY: JONES?

8 MEMBER JONES: AYE.

9 THE SECRETARY: CHAIRMAN PENNINGTON?

10 CHAIRMAN PENNINGTON: AYE.

11 THE MOTION CARRIES.

12 WE'LL MOVE TO ITEM NO. 7, CONSIDERATION

13 OF STAFF RECOMMENDATIONS TO CHANGE THE BASE

14 YEAR FROM 1990 TO '96 FOR THE PREVIOUSLY-

15 APPROVED SOURCE REDUCTION AND RECYCLING ELEMENT

16 FOR THE CITY OF SHAFTER.

17

18 AGENDA ITEM NO. 7: CONSIDERATION OF STAFF

19 RECOMMENDATION TO CHANGE THE BASE-YEAR

20 FROM 1990 TO 1996 FOR THE PREVIOUSLY-APPROVED

21 SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE

22 CITY OF SHAFTER, KERN COUNTY

23 MEMBER JONES: MR. CHAIRMAN?

24 CHAIRMAN PENNINGTON: YES?

25 MEMBER JONES: MR. CHAIRMAN, I ASKED

1 THAT THIS ISSUE BE PULLED JUST FOR ONE ITEM,  
2 AND IT WAS JUST FOR MY CLARIFICATION.  
3 ON PAGE 7.3 OF OUR AGENDA PACKET WE  
4 SHOW THE UPDATED TONNAGES TO BE 31,000 TONS  
5 DISPOSAL, 10,000 DIVERSION, AND A GENERATED AT  
6 41,891 FOR THE PROJECTED YEAR. FOR 2000, WE  
7 SHOW DISPOSAL AT 11,000, DIVERSION AT 21,000,  
8 AND GENERATION AT 33,000. AND MY ONLY QUESTION  
9 WAS ON THESE UPDATED TONNAGES GENERATION IS  
10 GOING DOWN BY 25 PERCENT.  
11 AND I'M JUST WONDERING IF THAT'S JUST A  
12 CLERICAL, OR IF THEY'RE GIVING AWAY HALF THE  
13 TOWN, OR EXACTLY WHAT?

14 MEMBER EATON: ANNEXED.

15 MEMBER JONES: YEAH, WHO ANNEXED WHAT?  
16 AND I JUST DON'T WANT TO BE HELD TO  
17 THAT NUMBER. I MEAN, IF WE APPROVE THAT, ARE  
18 WE APPROVING THE PROJECTION? ARE WE CONDONING  
19 THE PROJECTION?

20 MS. FRIEDMAN: MR. CHAIR, PLEASE GIVE  
21 US ONE MINUTE TO LOOK AT THE CALCULATIONS.

22 CHAIRMAN PENNINGTON: YES, ABSOLUTELY.

23 MS. FRIEDMAN: THANK YOU.

24 MEMBER JONES: AND I NEED TO APOLOGIZE.  
25 I WAS OUT OF TOWN FOR THE LAST SEVEN OR EIGHT

1 DAYS ON BUSINESS, AND I DIDN'T EVEN SPOT THIS  
2 UNTIL JUST BEFORE THE MEETING. AND I TRIED TO  
3 GET IN TOUCH WITH SOMEBODY, UNFORTUNATELY IT  
4 WAS DURING THE LUNCH HOUR. SO, I APOLOGIZE.  
5 I DON'T THINK IT'S A BIG DEAL. I  
6 JUST WANT TO MAKE SURE WE'RE NOT LOCKED INTO A  
7 NUMBER THAT ISN'T GOING TO WORK.

8 MR. CHANDLER: PAT, WOULD IT BE USEFUL  
9 TO TAKE THE RIGHT AMOUNT OF TIME TO EVALUATE  
10 THIS AND BRING IT BACK AT THE BOARD MEETING  
11 LATER IN THE MONTH?

12 MR. SCHIAVO: I THINK THAT WOULD BE  
13 HELPFUL, BECAUSE WE DON'T HAVE THE BACK-UP DATA  
14

15 MR. CHANDLER: MAYBE THE QUESTION IS  
16 WOULD IT BE ANY -- WOULD THERE BE ANY PROBLEMS  
17 IF THIS ACTION WASN'T CONSIDERED BY THE BOARD  
18 UNTIL AT THE NEXT BOARD MEETING? THERE'S NO  
19 TIMING IMPLICATIONS HERE SO I DON'T --

20 MR. SCHIAVO: I DON'T SEE ANY REASON --  
21 THAT SHOULD BE FINE --

22 MS. FRIEDMAN: WE'LL BE OKAY WITH THAT.

23 MR. CHANDLER: WHY DON'T WE DO THAT?  
24 YOU KNOW, ONE COULD SAY THEY'RE  
25 REPRESENTING A TREMENDOUS AMOUNT OF SOURCE

1 REDUCTION AND SOMEHOW BELIEVE THAT THEY'RE NOT  
2 GOING TO BE GENERATING AS MUCH WASTE THROUGH  
3 SOME ACTIONS. BUT, I DO THINK YOU NEED TO LOOK  
4 AT THE NUMBERS, AS MEMBER JONES --

5 MR. SCHIAVO: YEAH, IT SHOULDN'T HAVE  
6 ANY NEGATIVE IMPACT GOING IN ANOTHER TWO WEEKS  
7 FROM NOW.

8 MR. CHANDLER: YEAH, LET'S DO THAT.  
9 MEAN, I THINK THAT'S PART OF THE PURPOSE OF  
10 HAVING THESE MEETINGS, IS WE WANT TO BE ABLE TO  
11 --

12 (THE PARTIES SIMULTANEOUSLY SPEAK.)

13 CHAIRMAN PENNINGTON: MR. CHANDLER,  
14 PERHAPS I NEED TO REMIND YOU THAT WE HAVE A  
15 NOTICING CHANGE PROBLEM, THAT THE 26TH BOARD  
16 MEETING HAS ALREADY BEEN NOTICED

17 MR. SCHIAVO: CAN WE PULL IT OUT OF  
18 ORDER AND I CAN COME BACK IN ANOTHER HOUR --

19 CHAIRMAN PENNINGTON: SURE.

20 MR. CHANDLER: SO IS THAT TRUE, PATTY,  
21 WE COULDN'T EVEN PUT THIS BEFORE THE BOARD AT  
22 THE LATER BOARD MEETING?

23 MEMBER JONES: WELL, WAIT, WAIT. BUT  
24 DIDN'T WE DETERMINE THAT IF WE'VE NOTICED AN  
25 ITEM --

1 CHAIRMAN PENNINGTON: YOU'RE RIGHT.

2 MEMBER JONES: -- AND WE CAN JUST --

3 CHAIRMAN PENNINGTON: YES, COUNSEL HAS  
4 SAID WE CAN DO THAT, SO YOU'RE RIGHT. WE CAN  
5 BRING IT BACK ON THE 26TH.

6 MEMBER JONES: WE JUST DON'T CLOSE THE  
7 ITEM. WE CONTINUE IT FOR TWO WEEKS.

8 CHAIRMAN PENNINGTON: WITHOUT  
9 OBJECTION, WE'LL CONTINUE THIS UNTIL THE 26TH.  
10 THANK YOU, MEMBER JONES, FOR  
11 REMINDING ME OF THAT.

12 OKAY. WE'LL MOVE TO ITEM NO. 8.

13 SEE, THESE ARE THE THINGS THAT WE  
14 NEED TO WORK OUT --

15 MEMBER JONES: BUT WE'LL STILL GIVE  
16 THEM THE OPPORTUNITY IF THEY CAN ANSWER IT,  
17 RIGHT, BEFORE THE END OF THE DAY?

18 MS. FRIEDMAN: WE'LL DO OUR BEST TO  
19 LOOK AT THE DATA. WE JUST DIDN'T HAVE ANY  
20 NOTICE AND DIDN'T HAVE TIME TO PULL THROUGH THE  
21 DATA. BUT IF WE CAN, WE'LL ANSWER YOU TODAY.

22 CHAIRMAN PENNINGTON: OKAY. THAT'LL BE  
23 FINE.

24 WE'LL MOVE TO ITEM NO. 8,  
25 CONSIDERATIONS OF STAFF RECOMMENDATIONS TO

1 CORRECT THE BASE-YEAR GENERATION AMOUNT FOR THE  
2 PREVIOUSLY-APPROVED SOURCE REDUCTION AND  
3 RECYCLING ELEMENT FOR THE CITY OF ARCADIA, IN  
4 LOS ANGELES COUNTY.  
5 AGENDA ITEM NO. 8: CONSIDERATION OF STAFF  
6 RECOMMENDATION TO CORRECT THE BASE-YEAR  
7 GENER[original unreadable] FOR THE PREVIOUSLY-APPROVED SOURCE  
8 REDUCTION AND RECYCLING ELEMENT FOR THE CITY OF  
9 ARCADIA, LOS ANGELES COUNTY

10 MR. SCHIAVO: THE BASE-YEAR CHANGE ON  
11 ITEM NO. 8 IS PREDICATED ON THE MARCH, 1997,  
12 AGENDA ITEM THAT WE BROUGHT FORTH TO THE BOARD  
13 IN WHICH WE PRESENTED A MENU OF DIFFERENT  
14 OPTIONS FOR CHANGING THE BASE YEARS. AND THE  
15 CITY OF ARCADIA CHOSE TO CORRECT THEIR BASE-  
16 YEAR DISPOSAL TONNAGES.  
17 AND THAT WAS BASED ON -- ORIGINALLY  
18 THEY DID A PROJECTION ON -- BASED ON ONE  
19 HAULER'S DATA. AND SINCE THAT TIME WE CREATED  
20 THE DISPOSAL REPORTING SYSTEM WHICH SHOWS THE  
21 FULL AMOUNT OF DISPOSAL IN THAT PARTICULAR  
22 COMMUNITY.  
23 WE NOTICED THAT THERE IS A HUGE  
24 DISCREPANCY BETWEEN THE AMOUNT OF DISPOSAL THAT  
25 WE ARE SHOWING AND THE AMOUNT THAT THE CITY WAS

1 SHOWING BASED ON THAT ONE HAULER. SO, WE  
2 WORKED WITH THE CITY OF ARCADIA AND FOUND OUT  
3 THAT THE MAJOR DISCREPANCY WAS THE LACK OF --  
4 THEY NEVER CAPTURED C&B AND INERT DISPOSAL DATA  
5 AND A LOT OF THE SELF-HAUL DATA THAT WAS BEING  
6 GENERATED IN THAT COMMUNITY, AS WELL.  
7 AND, SO CONSEQUENTLY, WE GOT  
8 TOGETHER AND THEY SUBMITTED DOCUMENTATION  
9 SUPPORTING THE AMOUNT OF SELF-HAUL AND SOME OF  
10 THE INERT INFORMATION TO US. AND SO THAT'S  
11 WHAT THIS IS BASED ON. AND, SO STAFF, IN  
12 REVIEWING THE DOCUMENTATION, FELT COMFORTABLE  
13 ENOUGH TO CHANGE THE BASE YEAR.

14 CHAIRMAN PENNINGTON: OKAY. QUESTIONS?

15 MEMBER EATON: YES, MR. CHAIR. AND I  
16 THINK NO SAGER ADVICE WAS GIVEN THAN IN YOUR  
17 OPENING INTRODUCTORY REMARKS ABOUT, AS WE GO  
18 THROUGH HAD HAVE TO WORK OUT SOME OF THE KINKS  
19 IN THE SYSTEM. SO I WOULD HOPE THAT EVERYONE  
20 WOULD BEAR WITH US --

21 CHAIRMAN PENNINGTON: CERTAINLY.

22 MEMBER EATON: -- AS WE WORK THROUGH  
23 THIS.

24 MY QUESTIONS ON 8 AND 9 WERE ONE  
25 AND THE SAME. IS BASICALLY WE HAVE TWO

1 JURISDICTIONS, BOTH WITHIN L.A. COUNTY. IN  
2 FACT, BOTH SIDE-BY-SIDE, AS A MATTER OF' FACT,  
3 RIGHT DOWN BY SANTA ANITA RACE TRACK. I'M SURE  
4 THERE'S A LOT OF GOOD FERTILIZER DOWN IN THAT  
5 AREA.  
6 BUT, I'M CONCERNED A LITTLE BIT  
7 ABOUT DISPOSAL INCREASED BY A LARGE AMOUNT IN  
8 THE BASE-YEAR, IN ONE CASE ALMOST 100 PERCENT,  
9 60,000 TONS, AND 50 PERCENT IN ANOTHER CASE OF  
10 NEARLY 24,000 TONS.  
11 AND I GUESS WHAT WOULD HELP US IN  
12 THE FUTURE IS HAVING SOME IDEA OF WHAT LIES  
13 UNDER -- WHAT IS THE BACKUP FOR DISPOSAL FOR  
14 THE BASE YEAR. SOME OF IT IS THE SELF-HAUL, IS  
15 IT OUT-OF-THE-COUNTY KIND OF DISPOSAL. I THINK  
16 THAT WOULD HELP US, SINCE WE'RE GOING TO GO  
17 THROUGH SOME OF THE PROCESS WITHOUT COMMITTEES.  
18 AND THE DOCUMENTATION, I THINK,  
19 THAT YOU RECEIVE THAT VERIFIES THIS  
20 INFORMATION, I THINK, WOULD BE HELPFUL, AND  
21 THAT IT COULD KIND OF BE STANDARD INFORMATION  
22 THAT MIGHT BE PROVIDED IN THESE. THAT WOULD  
23 HELP US, AT LEAST IN HERE, AND WE PROBABLY CAN  
24 MOVE QUICKER.  
25 50, THAT WAS MY REASON FOR PULLING IT

1 OFF, JUST SORT OF TO GET SOME OF THAT  
2 INFORMATION OUT, AND THAT WOULD HELP US AS WE  
3 GO THROUGH SOME OF THE INFORMATION.  
4 AND, I TOO WAS OUT OF TOWN OR  
5 OTHERWISE WOULD HAVE RAISED THAT ISSUE AS WELL.

6 CHAIRMAN PENNINGTON: THAT'S FINE.  
7 THAT'S THE KIND OF THING WE NEED TO WORK  
8 THROUGH.

9 MEMBER JONES: CAN I ASK A QUESTION?

10 CHAIRMAN PENNINGTON: MEMBER JONES,  
11 CERTAINLY.

12 MEMBER JONES: ON BOTH OF THOSE ITEMS'  
13 DIVERSION -- BOTH THE 1990-APPROVED AND THE  
14 UPDATED TONNAGE IS IDENTICAL. HAD THEY JUST  
15 DECIDED NOT TO PLAY WITH THAT NUMBER, JUST TO  
16 PLAY WITH THE DISPOSAL AND GENERATION NUMBER,  
17 OR WERE THEIR ESTIMATES THAT GOOD?

18 I MEAN, I GUESS THEY DON'T HAVE TO,  
19 RIGHT?

20 MR. SCHIAVO: THEY DON'T HAVE TO.

21 MEMBER JONES: OKAY. IT'S NOT A  
22 PROBLEM, I JUST --

23 MR. SCHIAVO: DISPOSAL'S THE MAJOR  
24 ELEMENT THAT THEY'RE LOOKING AT.

25 MEMBER JONES: OKAY. BECAUSE WITH THAT

1 FIRST ONE, ITEM 8, WHATEVER CITY THAT IS, IT

2 MR. SCHIAVO: YEAH, ARCADIA.

3 MEMBER JONES: ARCADIA. THEY'RE REALLY  
4 -- THEY'D BE AT A PLUS-33 PERCENT. SO I COULD  
5 SEE WHY THEY WOULD WANT TO ADJUST IT, BUT I WAS  
6 SURPRISED THEY DIDN'T TRY TO FIX THAT RECYCLING  
7 NUMBER, THE DIVERSION NUMBER. OKAY.

8 CHAIRMAN PENNINGTON: OKAY. WE NEED  
9 MOTIONS FOR RESOLUTION 98-258 AND RESOLUTION --  
10 WELL, WE CAN -- LET'S DO 98-258. IT'S ITEM NO.  
11 8.

12 MEMBER JONES: MR. CHAIRMAN, I'LL MAKE  
13 A MOTION THAT WE ADOPT RESOLUTION 98-258.

14 MEMBER EATON: AND I'LL SECOND THE  
15 MOTION.

16 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN  
17 MOVED AND SECONDED.

18 IF THERE'S NO FURTHER DISCUSSION,  
19 WILL THE SECRETARY CALL THE ROLL?

20 THE SECRETARY: MEMBER EATON?

21 MEMBER EATON: AYE.

22 THE SECRETARY: FRAZEE?

23 MEMBER FRAZEE: AYE.

24 THE SECRETARY: JONES?

25 MEMBER JONES: AYE.

1 THE SECRETARY: CHAIRMAN PENNINGTON?

2 CHAIRMAN PENNINGTON: AYE.

3 I'D LIKE TO REMIND EVERYBODY THAT WE DO  
4 HAVE A NEW COURT REPORTER, AND SHE NEEDS FOR  
5 YOU TO IDENTIFY YOURSELF, EVEN THOUGH YOU'RE  
6 STAFF, SO THAT —

7 MR. SCHIAVO: YEAH, PATTY JUST REMINDED  
8 ME. MY NAME IS PAT SCHIAVO, FROM THE OFFICE OF  
9 LOCAL ASSISTANCE.

10 MS. FRIEDMAN: JUDY FRIEDMAN, DIVERSION  
11 PLANNING AND LOCAL ASSISTANCE DIVISION.

12 AGENDA ITEM NO. 9: CONSIDERATION OF STAFF  
13 RECOMMENDATION TO CORRECT THE BASE-YEAR  
14 GENER[original unreadable] FOR THE PREVIOUSLY-APPROVED SOURCE  
15 REDUCTION AND RECYCLING ELEMENT FOR THE CITY OF  
16 ROSEMEAD, LOS ANGELES COUNTY

17 CHAIRMAN PENNINGTON: OKAY. ITEM NO.  
18 9, CONSIDERATION OF STAFF RECOMMENDATION TO  
19 CORRECT THE BASE-YEAR GENERATION AMOUNTS FOR  
20 THE PREVIOUSLY-APPROVED SOURCE REDUCTION AND  
21 RECYCLING ELEMENT FOR THE CITY OF ROSEMEAD, IN  
22 LOS ANGELES COUNTY.

23 ARE WE SATISFIED ON THAT?

24 MEMBER EATON: UM-HUM.

25 CHAIRMAN PENNINGTON: THEN I'LL

1 ENTERTAIN A MOTION ON IT.

2 MEMBER JONES: MR. CHAIRMAN, I'LL MAKE

3 A MOTION THAT WE ADOPT RESOLUTION 98-259.

4 MEMBER EATON: AND I'LL SECOND THAT

5 MOTION.

6 CHAIRMAN PENNINGTON: IF THERE'S NO

7 FURTHER DISCUSSION, WILL THE SECRETARY CALL THE

8 ROLL, PLEASE?

9 THE SECRETARY: MEMBERS EATON?

10 MEMBER EATON: AYE.

11 THE SECRETARY: FRAZEE?

12 MEMBER FRAZEE: AYE.

13 THE SECRETARY: JONES?

14 MEMBER JONES: AYE.

15 THE SECRETARY: CHAIRMAN PENNINGTON?

16 CHAIRMAN PENNINGTON: AYE.

17 MOTION CARRIES.

18 OKAY. NOW WE'LL MOVE TO ITEM NO.

19 13, WHICH IS CONSIDERATION OF STAFF

20 RECOMMENDATIONS ON THE BIENNIAL REVIEW FINDINGS

21 FOR THE SOURCE REDUCTION AND RECYCLING ELEMENT

22 FOR THE FOLLOWING JURISDICTIONS. I WILL NOT

23 NAME THEM ALL.

24 //

25 //

1 AGENDA ITEM NO. 13: CONSIDERATION OF STAFF  
2 RECOMMENDATION ON THE BIENNIAL REVIEW FINDINGS  
3 FOR THE SOURCE REDUCTION AND RECYCLING ELEMENT  
4 FOR THE FOLLOWING JURISDICTIONS

5 MS. FRIEDMAN: YES. JUDY FRIEDMAN,  
6 DIVERSION PLANNING AND LOCAL ASSISTANCE  
7 DIVISION AGAIN. AND CHRIS SCHMIDLE WITH THE  
8 OFFICE OF LOCAL ASSISTANCE WILL MAKE THE  
9 PRESENTATION BRIEF FOR STAFF.

10 MR. SCHMIDLE: GOOD AFTERNOON, CHAIRMAN  
11 PENNINGTON AND BOARD MEMBERS. I'M CHRIS  
12 SCHMIDLE WITH THE OFFICE OF LOCAL ASSISTANCE,  
13 SOUTH SECTION. AND I'M HAPPY TO PRESENT TO YOU  
14 TODAY 14 JURISDICTIONS FROM NINE COUNTIES THAT  
15 HAVE DEMONSTRATED MEETING OR EXCEEDING THEIR  
16 1995 GOAL OF 25 PERCENT IN BOTH 1995 AND 1996.  
17 THESE FINDINGS ARE THE RESULT OF  
18 BOARD STAFF'S REVIEW AND ANALYSIS OF THESE  
19 JURISDICTIONS' SRRES IN 1995 AND 1996 ANNUAL  
20 REPORTS.  
21 CLARIFICATION AND VERIFICATION OF  
22 PROBLEM IMPLEMENTATION WAS CONDUCTED BY  
23 NUMEROUS PHONE CALLS AND CORRESPONDENCE WITH  
24 THE JURISDICTIONS AND BY CHECKING PERTINENT  
25 DIVERSION FACILITY-RELATED DATABASES.

1 THESE JURISDICTIONS HAVE  
2 IMPLEMENTED AND CONTINUE TO IMPLEMENT NUMEROUS  
3 SOURCE REDUCTION, RECYCLING, COMPOSTING, AND  
4 EDUCATION PROGRAMS TO HELP THEM REACH THE 25-  
5 AND 50-PERCENT GOALS. THEIR SUCCESS IS THE  
6 RESULT OF COOPERATIVE EFFORTS BY THE CITIES AND  
7 COUNTIES, THEIR RESIDENTS, SCHOOLS, AND  
8 COMMERCIAL SECTORS, AND THE WASTE MANAGEMENT  
9 INDUSTRY AND RECYCLING INDUSTRY.  
10 I'D NOW LIKE TO ACKNOWLEDGE THESE  
11 JURISDICTIONS' SUCCESS BY READING EACH INTO THE  
12 RECORD. IN CONTRA COSTA COUNTY WE HAVE SAN  
13 RAMON AND BRENTWOOD; IN IMPERIAL COUNTY,  
14 HOLTVILLE; IN MONTEREY COUNTY, CARMEL-BY-THE  
15 SEA, DEL REY OAKS, MARINA, PACIFIC GROVE; IN  
16 ORANGE COUNTY, SAN JUAN CAPISTRANO; IN  
17 RIVERSIDE COUNTY, PERRIS; IN SAN BERNARDINO  
18 COUNTY, MONTCLAIR; IN SAN DIEGO COUNTY,  
19 CARLSBAD; IN SAN JOAQUIN COUNTY, SAN JOAQUIN  
20 COUNTY UNINCORPORATED AREA; AND YOLO COUNTY,  
21 WEST SACRAMENTO AND WOODLAND.  
22 THAT CONCLUDES MY PRESENTATION.  
23 I'D BE HAPPY TO ANSWER ANY QUESTIONS.  
24 CHAIRMAN PENNINGTON: QUESTIONS OF  
25 STAFF?

1 MEMBER EATON: NO.

2 MEMBER JONES: NO, BUT I'D LIKE TO  
3 OFFER THAT MAYBE SINCE MR. FRAZEE IS THE FORMER  
4 MAYOR OF CARLSBAD, HE WOULD WANT TO MAKE THIS  
5 MOTION.

6 MEMBER FRAZEE: NOPE, NOT REALLY. GO  
7 AHEAD.

8 CHAIRMAN PENNINGTON: I THINK I'D  
9 RATHER YOU DO IT.

10 MEMBER JONES: I'LL TELL YOU WHAT, I'LL  
11 MOVE RESOLUTION 98-275, CONSIDERATION OF THE  
12 STAFF RECOMMENDATION ON THE BIENNIAL REVIEW  
13 FINDINGS FOR THE SOURCE REDUCTION AND RECYCLING  
14 ELEMENT FOR THE FOLLOWING JURISDICTIONS, THAT  
15 WERE READ INTO THE RECORD.

16 MEMBER FRAZEE: I'LL SECOND.

17 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN  
18 MOVED AND SECONDED.

19 IF THERE IS NO FURTHER DISCUSSION,  
20 WOULD THE SECRETARY CALL THE ROLL?

21 THE SECRETARY: MEMBERS EATON?

22 MEMBER EATON: AYE.

23 THE SECRETARY: FRAZEE?

24 MEMBER FRAZEE: AYE.

25 THE SECRETARY: JONES?

1 MEMBER JONES: AYE.

2 THE SECRETARY: CHAIRMAN PENNINGTON?

3 CHAIRMAN PENNINGTON: AYE.

4 THE MOTION CARRIES.

5 WE'LL MOVE TO ITEM 15.

6 MEMBER JONES: THANK YOU, MR. CHAIRMAN.

7 THANK YOU FOR READING THOSE IN. IF WE

8 COULD JUST NOT HAVE THEM ON THE CONSENT IT

9 WOULD BE EASIER THAN HAVING TO PULL IT. YOU

10 KNOW, ONLY -- I MEAN, IT'S UP TO YOU GUYS, BUT

11 I'M JUST SAYING I'M GOING TO KEEP PULLING THEM

12 JUST SO WE READ THEM IN.

13 MS. FRIEDMAN: SURE. THE ONLY REASON

14 THAT THEY'VE BEEN PUT ON CONSENT IS BECAUSE THE

15 BOARD ADOPTED A PROCEDURE, BACK IN OCTOBER OF

16 '97, WHICH SAID THAT ALL OF THESE APPROVALS

17 WOULD BE PUT ON CONSENT.

18 AND ONE REASON THEY DID THAT WAS

19 BECAUSE JURISDICTIONS DIDN'T WANT TO HAVE TO

20 TRAVEL HERE IF THERE WAS NO REASON TO.

21 MEMBER JONES: OKAY.

22 MS. FRIEDMAN: SO, WHATEVER THE BOARD

23 DIRECTS --

24 MEMBER JONES: THAT'S FINE. LEAVE IT

25 ON CONSENT. BUT, JUST KNOW THAT --

1 MS. FRIEDMAN: THAT WE'LL PULL IT --

2 MEMBER JONES: -- I'M GOING TO PULL IT

3 50 THAT YOU CAN READ THEM INTO THE RECORD.

4 MS. FRIEDMAN: SURE.

5 MEMBER JONES: THERE'S TOO MUCH EFFORT,  
6 TOO MUCH MONEY, TOO MUCH TIME HAS BEEN SPENT TO  
7 MEET IT. WE'VE GOT TO GIVE THEM AT LEAST A  
8 LITTLE RECOGNITION.

9 MS. FRIEDMAN: GOT IT. WHATEVER YOU  
10 WANT. WE'LL BE PREPARED TO DO A BRIEF  
11 PRESENTATION EVERY MONTH.

12 MEMBER JONES: THANK YOU.

13 CHAIRMAN PENNINGTON: OKAY, THANK YOU.  
14 ITEM 15, CONSIDERATION OF STAFF  
15 RECOMMENDATION ON THE PETITION TO REDUCE THE  
16 PLANNING REQUIREMENTS ON THE SUMMARY PLAN FOR  
17 INYO COUNTY. JUDY FRIEDMAN.

18 AGENDA ITEM NO. 15: CONSIDERATION OF STAFF  
19 RECOMMENDATION ON THE PETITION TO REDUCE THE  
20 PLANNING REQUIREMENTS ON THE SUMMARY PLAN FOR  
21 INYO COUNTY

22 MS. FRIEDMAN: YES. I'M GOING TO JUST  
23 GIVE A BRIEF INTRODUCTION TO DIANE SHIMIZU, WHO  
24 IS A NEW STAFFPERSON WITH THE BOARD'S OFFICE OF  
25 LOCAL ASSISTANCE. SHE JOINED US IN APRIL AND

1 THIS IS HER FIRST PRESENTATION BEFORE THE  
2 BOARD.

3 CHAIRMAN PENNINGTON: WELCOME.

4 MS. SHIMIZU: GOOD AFTERNOON, MR.

5 CHAIRMAN AND BOARD MEMBERS. I'M DIANE SHIMIZU  
6 WITH THE OFFICE OF LOCAL ASSISTANCE, CENTRAL  
7 SECTION.

8 THE ITEM BEFORE YOU IS INYO

9 COUNTY'S PETITION TO REDUCE THE PLANNING

10 REQUIREMENTS ON THEIR SUMMARY PLAN.

11 SPECIFICALLY, THE COUNTY IS REQUESTING COMPLETE

12 RELIEF FROM PREPARING AND SUBMITTING A SUMMARY

13 PLAN.

14 INYO COUNTY HAS A POPULATION OF

15 APPROXIMATELY 18,000, AND HAS ONLY ONE

16 INCORPORATED COUNTY, THE CITY OF BISHOP, WITH A

17 POPULATION OF ABOUT 3500. INYO COUNTY IS

18 SOLELY RESPONSIBLE FOR WASTE MANAGEMENT FOR THE

19 CITY AND COUNTY.

20 BOTH THE CITY OF BISHOP AND THE

21 COUNTY MEET THE REGULATORY DEFINITION OF RURAL

22 AND, THEREFORE, QUALIFY TO SEEK A REDUCTION IN

23 THEIR PLANNING REQUIREMENTS.

24 IN A SUMMARY PLAN, A COUNTY IS

25 REQUIRED TO ESTABLISH GOALS AND OBJECTIVES FOR

1 INTEGRATED WASTE MANAGEMENT PLANNING, TO  
2 DESCRIBE THE CURRENT SOLID WASTE MANAGEMENT  
3 SYSTEM, AND TO CONSIDER WHETHER DIVERSION  
4 PROGRAMS SHOULD BE IMPLEMENTED ON A COUNTY-WIDE  
5 BASIS.  
6 INYO COUNTY IS REQUESTING AN  
7 EXEMPTION FROM PREPARING A SUMMARY PLAN SINCE  
8 THIS INFORMATION HAS ALREADY BEEN PROVIDED IN  
9 THE BOARD-APPROVED, MULTI-JURISDICTIONAL SRRE,  
10 HHWE, AND NDFE.  
11 IN ADDITION, THE CITY OF BISHOP AND  
12 THE COUNTY ARE IN THE PROCESS OF FORMING A  
13 REGIONAL AGENCY. THE COUNTY ANTICIPATES  
14 SUBMITTING ITS REGIONAL AGENCY AGREEMENT TO THE  
15 BOARD BY NOVEMBER OF THIS YEAR.  
16 GIVEN THE INFORMATION CONTAINED IN  
17 THIS PETITION AND THE APPROVED MULTI-  
18 JURISDICTIONAL ELEMENTS, A SUMMARY PLAN WOULD  
19 BE REDUNDANT AND AN UNNECESSARY FINANCIAL  
20 BURDEN ON THE COUNTY.  
21 FOR THESE REASONS, STAFF RECOMMENDS  
22 APPROVAL OF INYO COUNTY'S REQUEST FOR AN  
23 EXEMPTION FROM PREPARING A SUMMARY PLAN.  
24 THIS CONCLUDES MY PRESENTATION. I  
25 WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY

1 HAVE.

2 CHAIRMAN PENNINGTON: QUESTIONS OF  
3 STAFF?

4 MEMBER EATON: THIS IS PERHAPS A POLICY  
5 QUESTION FOR MS. FRIEDMAN. HOW OFTEN HAVE WE  
6 DONE THIS IN THE PAST FOR SMALLER COUNTIES?

7 MS. FRIEDMAN: WELL, MY STAFF ARE  
8 TELLING ME THIS IS OUR FIFTH PETITION ALONG  
9 THESE LINES.

10 MEMBER EATON: OKAY. AND WHAT IS THE  
11 ESTIMATE THAT INYO FIGURES THEY'LL SAVE, IN  
12 TERMS OF DOLLARS AND CENTS?

13 MS. FRIEDMAN: WELL, I DON'T HAVE ANY  
14 FIGURES FROM THEM, BUT I KNOW THAT IN THE PAST  
15 WE'VE HEARD FROM JURISDICTIONS THAT ON THE  
16 AVERAGE THESE KINDS OF DOCUMENTS WHEN THEY GO  
17 OUT FOR A CONSULTANT COSTS AN AVERAGE OF  
18 \$25,000 PER FOR THESE LITTLE RURAL  
19 JURISDICTIONS. AND SO THEY'RE LOOKING TO SAVE,  
20 I WOULD GUESS, SOMETHING ALONG THOSE LINES.

21 MEMBER EATON: PERHAPS WITH THIS COST-  
22 SAVING MEASURE MEMBER JONES' RECOMMENDATIONS  
23 MIGHT BE FULLY IMPLEMENTED.

24 MEMBER JONES: AT THEIR LANDFILLS.

25 MS. FRIEDMAN: THAT'S AN IDEA.

1           MEMBER EATON: YOU SHOULD PERHAPS  
2 REMIND THEM.  
3           MEMBER JONES: MR. CHAIRMAN?  
4           CHAIRMAN PENNINGTON: MEMBER JONES?  
5           MEMBER JONES: I THINK THESE RURAL  
6 JURISDICTIONS -- I MEAN, THE SUMMARY PLAN,  
7 BASICALLY -- IF THEY TOOK EVERY PLAN THEY'VE  
8 GIVEN HERE, BOUND THEM, PUT THEM IN A BOOK, AND  
9 THEN JUST WROTE A LETTER THAT SAID, YOU KNOW,  
10 THE CONTENTS HERE ARE OUR SUMMARY PLANS  
11 BASICALLY GETS IT DONE. I MEAN, IT'S JUST  
12 STRICTLY A RECAP OF WHAT'S BEEN DONE.  
13 AND, I'M GLAD THAT WE'VE GIVEN FIVE  
14 -- ESPECIALLY THE RURALS. I MEAN, YOU KNOW, I  
15 DON'T HAVE A PROBLEM WITH THIS. IT JUST --  
16 BUT, I AGREE WITH MR. EATON, WE SHOULD -- WE'LL  
17 MAKE SURE TO LET THEM KNOW THEY'VE GOT AN EXTRA  
18 25 GRAND THEY CAN PUT IN THAT LANDFILL TO FIX  
19 IT.  
20           MS. FRIEDMAN: I'D JUST LIKE TO REMIND  
21 THE BOARD, THAT WAS MY FIGURE. LET'S FIND OUT  
22 FROM THEM WHAT THEIR FIGURE --  
23           MEMBER JONES: WE'LL JUST USE YOU AS AN  
24 INFORMED SOURCE FROM NOW ON.  
25           MEMBER EATON: IF IT'S LOW, WE'LL TAKE

1 THEIR FIGURE. IF IT'S HIGH....

2 CHAIRMAN PENNINGTON: OKAY. I'LL

3 ENTERTAIN A MOTION.

4 MEMBER EATON: ALL RIGHT, MEMBER JONES,

5 I'LL MOVE IT. I'LL MOVE IT, BECAUSE IN

6 RECOGNITION OF YOUR HARD WORK I UNDERSTAND

7 THEY'RE GOING TO NAME THE LANDFILL JONESTOWN,

8 SO I MOVE THAT WE ADOPT RESOLUTION 98-278,

9 WHICH IS CONSIDERATION OF THE STAFF

10 RECOMMENDATION ON THE PETITION TO REDUCE THE

11 PLANNING REQUIREMENTS OF THE SUMMARY PLAN FOR

12 INYO COUNTY.

13 CHAIRMAN PENNINGTON: I THINK YOU WANT

14 RESOLUTION 98-268?

15 MEMBER EATON: 98-268, YEAH, I'M SORRY.

16 THANK YOU.

17 MEMBER JONES: I'LL SECOND THAT.

18 CHAIRMAN PENNINGTON: MEMBER JONES

19 SECONDS.

20 IF THERE'S NO FURTHER DISCUSSION,

21 WILL THE SECRETARY CALL THE ROLL?

22 THE SECRETARY: MEMBERS EATON?

23 MEMBER EATON: AYE.

24 THE SECRETARY: FRAZEE?

25 MEMBER FRAZEE: AYE.

1 THE SECRETARY: JONES?  
2 MEMBER JONES: AYE.  
3 THE SECRETARY: CHAIRMAN PENNINGTON?  
4 CHAIRMAN PENNINGTON: AYE.  
5 THE MOTION CARRIES.  
6 WE'LL MOVE TO ITEM 18,  
7 CONSIDERATION OF APPOINTMENT OF A LOAN  
8 COMMITTEE MEMBER FOR THE RECYCLING MARKET  
9 DEVELOPMENT ZONE LOAN PROGRAM. MS. TRGOVCICH  
10 AGENDA ITEM NO. 18: CONSIDERATION OF  
11 APPOINTMENT OF A LOAN COMMITTEE MEMBER FOR THE  
12 RECYCLING MARKET DEVELOPMENT ZONE LOAN PROGRAM  
13 MR. LA TANNER: GOOD MORNING, CHAIRMAN  
14 PENNINGTON, BOARD MEMBERS. MY NAME IS JIM LA  
15 TANNER, I'M MANAGER OF THE RMDZ LOAN PROGRAM.  
16 THE FIRST ITEM, AGENDA 18, IS  
17 CONSIDERATION OF APPOINTMENT OF A LOAN  
18 COMMITTEE MEMBER FOR THE RECYCLING MARKET  
19 DEVELOPMENT REVOLVING LOAN PROGRAM.  
20 STAFF PREPARES AN ANALYSIS THAT IS  
21 PRESENTED TO LOAN COMMITTEE TO ASSURE THE BOARD  
22 THAT THE LOAN APPLICANTS QUALIFY FINANCIALLY.  
23 THERE IS CURRENTLY ONE OPENING WITH  
24 A NOMINATION FOR MARC NEMANIC, FROM THE CHICO  
25 RMDZ, WHICH WOULD FILL THE LAST VACANCY FOR A

1 TOTAL OF NINE MEMBERS. THEY ARE DIVERSIFIED  
2 THROUGHOUT THE STATE TO GIVE ANNUITY TO ALL  
3 BORROWERS OR APPLICANTS WITHIN THE ZONES. THIS  
4 WAS RECOMMENDED BY THE CHICO AREA. HE WAS THE  
5 ONLY APPLICANT AT THIS TIME.

6 COMING UP IN DECEMBER THREE  
7 POSITIONS WILL BE REVIEWED OR RENEWED AT THAT  
8 TIME.

9 STAFF'S RECOMMENDING APPROVAL OF  
10 MARC NEMANIC BASED ON HIS LENDING EXPERIENCE  
11 AND ECONOMIC DEVELOPMENT EXPERIENCE.

12 CHAIRMAN PENNINGTON: VERY GOOD. ANY  
13 QUESTIONS OF STAFF?

14 MEMBER JONES: MR. CHAIRMAN?

15 CHAIRMAN PENNINGTON: YES?

16 MEMBER JONES: I THINK MR. NEMANIC WAS  
17 ONE OF THE SPEAKERS AT THE RMDZ WORKSHOP AND  
18 WAS -- OBVIOUSLY DID A LOT OF GOOD WORK.

19 I HAVE NO PROBLEM WITH THIS, BUT I  
20 WOULD LIKE TO ENTERTAIN THE IDEA OF -- IN THE  
21 RESOLUTION, THE FOURTH WHEREAS, DOES ANYBODY  
22 HAVE A PROBLEM WITH REMOVING THAT, "WHEREAS,  
23 THE BOARD HAS SOLICITED AND RECEIVED INTEREST  
24 FROM ONE LOAN. . . ."? COULD WE TAKE THAT OUT?

25 MR. LA TANNER: SURE.

1 MEMBER JONES: IF WE TOOK THAT OUT THEN  
2 I THINK THAT I'D LIKE TO MOVE RESOLUTION 98-274  
3 WITH THAT WHEREAS REMOVED.

4 MEMBER FRAZEE: I WILL SECOND.

5 CHAIRMAN PENNINGTON: IF THERE IS NO  
6 FURTHER DISCUSSION, WILL THE SECRETARY CALL THE  
7 ROLL?

8 THE SECRETARY: MEMBERS EATON?

9 MEMBER EATON: AYE.

10 THE SECRETARY: FRAZEE?

11 MEMBER FRAZEE: AYE.

12 THE SECRETARY: JONES?

13 MEMBER JONES: AYE.

14 THE SECRETARY: CHAIRMAN PENNINGTON?

15 CHAIRMAN PENNINGTON: AYE.

16 MOTION CARRIES.

17 MOVING ON TO ITEM NO. 19,

18 CONSIDERATION OF THE ANNUAL STATUS REPORT FOR  
19 THE NEWSPRINT CERTIFICATION PROGRAM AND  
20 RECOMMENDATIONS CONCERNING AUDITS OF NEWSPRINT  
21 CONSUMERS. MS. TRGOVCICH?

22 AGENDA ITEM NO. 19: CONSIDERATION OF THE  
23 ANNUAL STATUS REPORT FOR THE NEWSPRINT  
24 CERTIFICATION PROGRAM AND RECOMMENDATIONS  
25 CONCERNING AUDITS OF NEWSPRINT CONSUMERS

1 MS. TRGOVCICH: GOOD AFTERNOON,  
2 CHAIRMAN PENNINGTON AND MEMBERS. I'M CAREN  
3 TRGOVCICH, DEPUTY DIRECTOR OF THE WASTE  
4 PREVENTION AND MARKET DEVELOPMENT DIVISION.  
5 THIS PRESENTATION WILL BE MADE BY  
6 RICK MULLER OF THE DIVISION, BUT I'D JUST LIKE  
7 TO PROVIDE YOU WITH A BRIEF OVERVIEW AND THE  
8 BASIS FOR THE STAFF RECOMMENDATIONS THAT YOU'RE  
9 GOING TO HEAR TODAY.  
10 RICK WILL BE PRESENTING FOR YOU AN  
11 OVERVIEW OF THE NEWSPRINT PROGRAM, COMPLIANCE  
12 HISTORY, WHAT WE'VE SEEN IN PRIOR YEARS, AND  
13 WHAT WE'VE SEEN CURRENT YEAR.  
14 WHAT'S DIFFERENT THIS YEAR IS THAT  
15 STAFF ARE RECOMMENDING SEVERAL ADDITIONAL  
16 OPTIONS AS IT PERTAINS TO SOME OF THE LATE AND  
17 DELINQUENT FILERS THAT RICK WILL BE DESCRIBING  
18 FOR YOU.  
19 AND THE REASON WHY WE ARE BRINGING  
20 THIS FORWARD IS, ONE, AS A COMPLIANCE ISSUE,  
21 BUT, TWO, AND VERY IMPORTANT FOR THE PROGRAM,  
22 IS THAT THE LATE AND DELINQUENT FILERS HAVE  
23 RESULTED IN SIGNIFICANT STAFF TIME BEING  
24 EXPENDED ON MULTIPLE PHONE CALLS, FOLLOW-UP  
25 LETTERS, DISCUSSIONS, ADDITIONAL CONVERSATIONS

1 WITH LEGAL, ET CETERA.  
2 SO WHAT WE ARE SEEKING TODAY IN THE  
3 FORM OF OUR RECOMMENDATIONS IS DIRECTION FROM  
4 THE BOARD THAT WOULD ALSO ALLEVIATE A STAFF  
5 WORKLOAD ISSUE AS A RESULT OF THE ONGOING  
6 LATENESS OF MANY OF THE CERTIFICATIONS.

7 MR. MULLER: THANK YOU, CAREN.  
8 GOOD AFTERNOON, MR. CHAIRMAN AND  
9 BOARD MEMBERS. AGAIN, MY NAME IS RICK MULLER,  
10 AND I'M CURRENTLY LEAD FOR THE RECYCLE CONTENT  
11 NEWSPRINT PROGRAM. THIS IS ESSENTIALLY THE  
12 ANNUAL STATUS REPORT.  
13 THE PROGRAM IS ADMINISTERED BY  
14 CIWMB AND IT REQUIRES COMMERCIAL PRINTERS AND  
15 NEWSPAPER PUBLISHERS TO USE RECYCLED-CONTENT  
16 NEWSPRINT AND TO ANNUALLY CERTIFY THEIR USE.  
17 THE RECYCLED-CONTENT NEWSPRINT MUST CONTAIN AT  
18 LEAST 40 PERCENT RECYCLED FIBER IN ORDER TO  
19 QUALIFY. AND DURING 1997 THE RECYCLE CONTENT  
20 MINIMUM USE REQUIREMENT WAS 35 PERCENT.  
21 THE OVERVIEW FOR INDUSTRY  
22 PERFORMANCE DESCRIBED IN THIS REPORT IS THAT  
23 INDUSTRY COMPLIANCE AS A WHOLE IMPROVED FOR  
24 1997. HOWEVER, CERTAIN COMPANIES' SPECIFIC  
25 COMPLIANCE ISSUES WERE PROBLEMATIC AND ARE

1 IDENTIFIED IN THE REPORT. AND THESE INCLUDE  
2 LATE, DELINQUENT, AND QUESTIONABLE  
3 CERTIFICATIONS.  
4 TO PROVIDE A LITTLE BIT OF A  
5 FOUNDATION FOR SOME OF THE STAFF  
6 RECOMMENDATIONS IN THIS ITEM I'D LIKE TO ALLUDE  
7 TO ESTABLISHED BOARD POLICY IN TWO AREAS.  
8 THE FIRST IS A REPORTING PROCEDURE  
9 AND AUDIT POLICY WHICH WAS ADOPTED AUGUST 23RD,  
10 1995. ESSENTIALLY THIS POLICY ESTABLISHED  
11 SEVEN AUDIT TRIGGERS THAT STAFF LOOK AT WHEN WE  
12 WANT TO MAKE OUR EVALUATION OF THE NEED FOR  
13 AUDITS FOR THIS PROGRAM.  
14 THE OTHER POLICY WAS ADOPTED BY THE  
15 BOARD OCTOBER 22ND, 1997, AND THIS IS PUBLIC  
16 HEARING PROCEDURES AND CRITERIA FOR ASSESSING  
17 CIVIL PENALTIES AGAINST NON-COMPLIANT NEWSPRINT  
18 CONSUMERS AND OTHER MEMBERS OF THE REGULATED  
19 COMMUNITY, AND PRC SECTION 42791 IS THE  
20 AUTHORITY FOR THIS ASSESSING OF CIVIL  
21 PENALTIES.  
22 I'D LIKE TO LOOK AT THE SUMMARY  
23 DATA I'VE GOT IN GRAPHIC -- OF WHICH I ACTUALLY  
24 CHARTED HERE IN BAR GRAPHS TO DESCRIBE WHAT'S  
25 GOING ON WITH THE PROGRAM.

1 THE FIRST CHART SHOWS THE  
2 COMPLIANCE RATE CHARTED OVER THE VARIOUS YEARS,  
3 AND YOU CAN SEE THAT IN 1997 THE COMPLIANCE  
4 RATE WAS UP FROM THE PREVIOUS YEAR, AND IT'S AT  
5 82 PERCENT. THE COMPLIANCE RATE IS DEFINED AS  
6 THE PERCENTAGE OF NEWSPRINT CONSUMERS THAT MET  
7 THE GOAL OF THE PROGRAM WITHOUT FILING  
8 EXEMPTIONS.  
9 THE NEXT BAR CHART SHOWS THE  
10 AGGREGATE CONSUMPTION RATE OF RECYCLED  
11 NEWSPRINT, AND YOU CAN SEE THAT THIS IS UP TO  
12 55 AND A HALF PERCENT, UP FROM 49 AND A HALF  
13 PERCENT IN 1996. THIS IS A PRETTY SIGNIFICANT  
14 JUMP. AND I THINK IT'S IMPORTANT TO NOTE THAT  
15 THIS IS FIVE AND A HALF POINTS OVER THE PROGRAM  
16 CAP OF 50 PERCENT FOR THE YEAR 2000.  
17 THIS SHOWS THE TOTAL CONSUMPTION OF  
18 NEWSPRINT AND TOTAL CONSUMPTION OF RECYCLED- 19 CONTENT NEWSPRINT,  
AND, ESSENTIALLY, IN '97 WE  
20 HAD OVER ONE-POINT-SEVEN MILLION METRIC TONS  
21 CONSUMED IN THE STATE OF ALL NEWSPRINT. AND I  
22 BELIEVE IT WAS -- I'M HAVING TROUBLE READING MY  
23 OWN FIGURES HERE -- 959,000 METRIC TONS OF  
24 RECYCLED NEWSPRINT. BY COMPARISON, THE '96  
25 FIGURE IS ONE-POINT-SIX MILLION METRIC TONS OF

1 ALL NEWSPRINT AND 111,000 METRIC TONS OF  
2 RECYCLED NEWSPRINT.  
3 THE NEWSPRINT CONSUMERS REPORTED  
4 ABOUT -- I'M SORRY, RECYCLED MANUFACTURERS  
5 REPORTED ABOUT 871,000 METRIC TONS OF NEWSPRINT  
6 SHIPPED INTO THE STATE.  
7 AND THIS CHART SHOWS A COMPARISON  
8 OF AGGREGATE NEWSPRINT SHIPMENTS INTO THE STATE  
9 OF CALIFORNIA FOR '97, AND FOR PREVIOUS YEARS,  
10 COMPARED TO AGGREGATE CONSUMPTION.  
11 WHAT'S A LITTLE BIT OF A PROBLEM  
12 HERE IS THAT FOR THE FIRST TIME SINCE 1992 WE  
13 HAVE A PRETTY WIDE DISCREPANCY IN THESE  
14 FIGURES. IT'S ABOUT 88,000 METRIC TONS, AND  
15 THIS IS UP SUBSTANTIALLY FROM THE PREVIOUS  
16 YEARS, GOING BACK TO '93.  
17 50, THIS IS ONE OF THE AUDIT  
18 TRIGGERS THAT WE MENTION IN THE REPORT. AND  
19 IT'S ALSO A SIGN THAT WE PERHAPS HAVE GOT SOME  
20 KIND OF AN UNDETECTED ERROR IN THE PROGRAM  
21 DATA, SUCH AS ONE OR MORE CONSUMER  
22 CERTIFICATIONS COULD HAVE BEEN MADE IN ERROR OR  
23 PERHAPS SOME OTHER OMISSION IN THE PROGRAM SUCH  
24 AS AN UNDETECTED MANUFACTURER SHIPPING  
25 NEWSPRINT INTO THE STATE.

1 I'D LIKE TO TOUCH BRIEFLY ON THE  
2 AUDIT TRIGGERS THAT I REFERRED TO EARLIER, AND  
3 I'M ONLY GOING TO DISCUSS, IN THE INTEREST OF  
4 TIME, THOSE THAT ARE A PROBLEM THIS YEAR OR AT  
5 LEAST FOR 1997 REPORTING YEAR.  
6 THE FIRST IS EVIDENCE OF A  
7 SIGNIFICANT INCREASE IN LATE OR DELINQUENT  
8 NEWSPRINT CERTIFICATIONS. FOR THE 1997  
9 REPORTING YEAR WE HAD 70 CONSUMERS THAT WERE  
10 LATE, AND THIS COMPARES TO 59 FOR THE 1996  
11 REPORTING YEAR.  
12 THE SECOND CRITERION IS EVIDENCE  
13 THAT TOTAL RECYCLED-CONTENT NEWSPRINT SHIPPED  
14 TO CALIFORNIA CONSUMERS CANNOT BE RECONCILED  
15 WITH TOTAL RECYCLED-CONTENT NEWSPRINT CONSUMED  
16 IN CALIFORNIA. I'VE ALREADY DISCUSSED THIS.  
17 THE THIRD AUDIT TRIGGER IS A  
18 SIGNIFICANT INCREASE IN EXEMPTION CLAIMS  
19 WITHOUT ADEQUATE DOCUMENTATION. FOR 1997 WE  
20 RECORDED SIX CONSUMERS THAT FILED EITHER  
21 INCOMPLETE OR QUESTIONABLE CERTIFICATIONS. AND  
22 THERE WAS ONLY ONE FOR THE 1996 REPORTING YEAR.  
23 SO, THE OPTIONS FOR THE BOARD FOR  
24 DELINQUENT FILERS AND LATE FILERS ARE AS  
25 FOLLOWS.

1 OPTION ONE IS TO DIRECT STAFF TO  
2 PURSUE ENFORCEMENT OPTIONS AGAINST DELINQUENT  
3 AND LATE NEWSPRINT USERS USING THE ESTABLISHED  
4 REGULATORY FRAMEWORK.  
5 OPTION TWO, DIRECT STAFF TO PURSUE  
6 AN AUDITING PROGRAM TARGETING DELINQUENT AND  
7 LATE NEWSPRINT CONSUMERS.  
8 AND, THREE, DIRECT STAFF NOT TO  
9 PURSUE ENFORCEMENT ACTION AGAINST DELINQUENT  
10 NEWSPRINT CONSUMERS. INSTEAD, STAFF WOULD  
11 CONTINUE TO WORK WITH INDUSTRY TRADE  
12 ASSOCIATIONS TO DEVELOP PUBLIC RELATIONS  
13 EFFORTS TO INFLUENCE MEMBERS.  
14 THERE IS A FOURTH OPTION WHICH IS  
15 REALLY A VARIANT OF OPTION ONE AND THAT WOULD  
16 BE TO DIRECT STAFF TO PURSUE FINES AGAINST LATE  
17 FILERS BEGINNING NEXT YEAR, THE 1998 REPORTING  
18 YEAR. AND THE NEWSPRINT CONSUMERS WOULD BE  
19 NOTIFIED OF THIS INTENT.  
20 THE OPTIONS FOR QUESTIONABLE  
21 CERTIFICATIONS ARE AS FOLLOWS.  
22 OPTION ONE, DIRECT STAFF TO PURSUE  
23 AN AUDITING PROGRAM TARGETING CONSUMERS THAT  
24 FILE QUESTIONABLE CERTIFICATIONS.  
25 AND, ITEM TWO, DIRECT STAFF TO

1 CONTINUE WORKING WITH NEWSPRINT CONSUMERS ON A  
2 VOLUNTARY BASIS WITHOUT PURSUING AUDITS.  
3 THE STAFF RECOMMENDATION IS  
4 CONTAINED IN RESOLUTION 98-267, AND IT'S  
5 ESSENTIALLY TO INITIATE AN AUDIT PROGRAM ON  
6 LATE, DELINQUENT, OR QUESTIONABLE NEWSPRINT  
7 FILERS, AND TO SCHEDULE HEARINGS ON APPROPRIATE  
8 CIVIL PENALTIES FOR DELINQUENT FILERS.  
9 AND, I MIGHT ADD, THERE'S ONLY ONE  
10 DELINQUENT FILER AT THIS TIME, SINCE THE BOARD  
11 BRIEFINGS. I THINK WE HAD TWO DURING THE BOARD  
12 BRIEFINGS AND WE BROUGHT IN ONE.  
13 THE ITEM ALSO CONTAINS INFORMATION  
14 ABOUT THE COST OF AN AUDITING PROGRAM BASED ON  
15 20 FIELD AUDITS BY AN OUTSIDE CONTRACTOR. THIS  
16 WOULD BE 10 FIELD AUDITS IN NORTHERN CALIFORNIA  
17 AND 10 IN SOUTHERN CALIFORNIA. THE COST OF  
18 THESE AUDITS RANGE BETWEEN \$12,500 AND \$55,000.  
19 I'D LIKE TO MENTION THAT THE  
20 RECOMMENDATION -- AS FAR AS THE ONE DELINQUENT  
21 FILER, THIS IS THE SAME COMPANY THAT HASN'T  
22 FILED IN FOUR CONSECUTIVE YEARS. AND OUR  
23 RECOMMENDATION INCLUDES A SUGGESTION THAT A  
24 FINAL DEMAND LETTER WOULD GO OUT, AND THAT IF  
25 WE RECEIVE A CERTIFICATION BEFORE THE NOTICE,

1 OR THE PUBLIC HEARING, THAT WE DROP THE MATTER.  
2 TWO FINAL POINTS. THE FIRST IS I'D  
3 LIKE TO RECOGNIZE THE TRADE ASSOCIATIONS FOR  
4 PROVIDING A LOT OF ASSISTANCE TO BOARD STAFF.  
5 WE COULDN'T HAVE ADMINISTERED THIS PROGRAM  
6 EFFECTIVELY WITHOUT THEIR HELP. AS CAREN, I  
7 BELIEVE, MENTIONED THAT LAST YEAR THEY PROVIDED  
8 A LOT OF -- OR, THEY DEVELOPED PUBLIC RELATIONS  
9 EFFORTS TO TRY TO BRING IN LATE FILERS.  
10 FORTUNATELY (SIC), IT WASN'T EXTREMELY  
11 EFFECTIVE. BUT THEY DID MAKE THE EFFORTS.  
12 THEY PROVIDED US WITH DIRECTORIES OF THEIR  
13 MEMBERS WHICH HELPED US A GREAT DEAL, PUTTING  
14 TOGETHER THE PLAYERS IN THIS -- IN THE  
15 REGULATED COMMUNITY. AND ALSO THE -- I SHOULD  
16 MENTION THAT THESE WERE THE CALIFORNIA  
17 NEWSPAPER ASSOCIATION AND THE PRINTING  
18 INDUSTRIES OF CALIFORNIA.  
19 AND, FINALLY, THE AMERICAN PAPER  
20 AND -- I'M SORRY, THE AFPA, THE AMERICAN FOREST  
21 AND PAPER ASSOCIATION PROVIDED STAFF WITH  
22 AGGREGATE NEWSPRINT SHIPPED INTO CALIFORNIA,  
23 WHICH ALSO HELPED US TO RECONCILE OUR FIGURES.  
24 AND THIS WAS A VOLUNTARY SUBMITTAL OF  
25 INFORMATION.

1 THE FINAL THING I'D LIKE TO MENTION  
2 IS THE OFFICE OF STATE PRINTING, AND AN UPDATE  
3 ON THEIR PROGRESS. AS SOME BOARD MEMBERS MAY  
4 REMEMBER, THEY RECEIVED SOME BAD PUBLICITY A  
5 COUPLE YEARS AGO FOR NOT MEETING THE GOALS OF  
6 THE PROGRAM, ALTHOUGH THEY WERE CERTAINLY NOT -  
7 - THEY WERE CERTAINLY FILING VALID EXEMPTION  
8 CLAIMS.  
9 BUT, IN ANY EVENT, I'M HAPPY TO  
10 REPORT THAT FOR 1997 THE ONLY COMMERCIAL  
11 PRINTER THAT'S PART OF STATE GOVERNMENT MET THE  
12 GOALS AGAIN, AND WE EXPECT THEM TO MEET THE  
13 GOALS AT LEAST FOR NEXT YEAR BECAUSE THEY  
14 SIGNED A TWO-YEAR CONTRACT TO BUY ALL RECYCLED  
15 NEWSPRINT.  
16 NOW, THAT CONCLUDES MY  
17 PRESENTATION. I'D BE HAPPY TO ANSWER ANY  
18 QUESTIONS.

19 CHAIRMAN PENNINGTON: QUESTIONS OF  
20 STAFF? MR. EATON?

21 MEMBER EATON: I HAVE A COUPLE OF  
22 QUESTIONS. IT WOULD BE HELPFUL IF WE KNEW WHO  
23 THE LATE FILER WOULD BE. WHO IS IT?

24 MR. MULLER: YOU MEAN THE DELINQUENT  
25 FILER?

1 MEMBER EATON: UM-HUM.

2 MR. MULLER: IT'S A COMPANY CALLED DAY  
3 AND NIGHT -- I BELIEVE IT'S CALLED DAY AND  
4 NIGHT QUALITY PRINTING, BUT THEY'VE GONE BY AT  
5 LEAST TWO DIFFERENT BUSINESS NAMES, FICTITIOUS  
6 BUSINESS NAMES.

7 MEMBER EATON: WHERE ARE THEY OUT OF?

8 MR. MULLER: THEY'RE OUT OF  
9 CARPENTERIA, CALIFORNIA.  
10 AND I SHOULD MENTION THAT LAST YEAR  
11 THE BOARD IMPOSED -- I BELIEVE IMPOSED A \$3,000  
12 FINE AGAINST THIS COMPANY.

13 CHAIRMAN PENNINGTON: HAS IT BEEN  
14 COLLECTED?

15 MR. MULLER: IT HAS NOT BEEN COLLECTED.  
16 I DID LEARN THAT THERE WERE SOME LETTERS SENT  
17 OUT REQUESTING PAYMENT, AND THAT THEY'RE  
18 CURRENTLY EVALUATING -- I BELIEVE KIM CODY IS  
19 CURRENTLY EVALUATING OUR OPTIONS AS FAR AS  
20 LIENS AND OTHER OPTIONS.

21 CHAIRMAN PENNINGTON: ANY OTHER  
22 QUESTIONS?

23 MEMBER EATON: YOU MENTIONED THAT THE  
24 AUDITS YOU THOUGHT WOULD COST BETWEEN ROUGHLY  
25 \$12,000 AND \$55,000. IS THAT THE TOTAL COST,

1 OR IS THAT PER AUDIT?

2 MR. MULLER: THAT INCLUDES -- THE  
3 FIGURES ARE THE TOTAL COST OF 20 AUDITS, AND IT  
4 INCLUDES TRAVEL AND EXPENSES.

5 MEMBER EATON: OKAY.

6 MR. MULLER: I MIGHT ADD THAT THE CPA  
7 THAT FILED THE HIGHEST ESTIMATE WAS THE ONE  
8 THAT WAS MOST EXPERIENCED WITH BOARD COMPLIANCE  
9 AUDITS. THAT THEY HANDLED OUR TRASH BAG  
10 PROGRAM AUDITS.

11 MEMBER EATON: NOW, THIS IS COMPLIANCE  
12 AUDIT. CORRECT?

13 MR. MULLER: RIGHT.

14 MEMBER EATON: OKAY. IS THE DEPARTMENT  
15 OF FINANCE IN A BETTER POSITION TO DO THESE FOR  
16 US?

17 MR. MULLER: I HAVE NO IDEA. I DO KNOW  
18 THAT OUR OWN AUDIT SECTION ISN'T PREPARED TO DO  
19 IT —

20 MEMBER EATON: RIGHT.

21 MR. MULLER: -- THIS YEAR.

22 MEMBER EATON: I UNDERSTAND THAT. I'M  
23 JUST TRYING TO FIGURE OUT IF FINANCE -- I DON'T  
24 KNOW. I MEAN, THEY HAVE BEEN HELPFUL TO US IN  
25 THE PAST IN THESE TYPES OF PROGRAMMATIC KINDS

1 OF AUDITS AND FAMILIARITY. IT SAVES, ALSO, THE  
2 AUDIT TEAM PARTY SOME TIME AND EFFORT, AND I  
3 WAS JUST WONDERING IF WE COULD -- MIGHT BE ABLE  
4 TO CONSIDER THAT AS WELL, AS A POSSIBLE  
5 OPPORTUNITY. AND THEY MIGHT BE A TAD CHEAPER,  
6 BUT MAYBE NOT.

7 MS. TRGOVCICH: ONE OF THE THINGS THAT  
8 WE COULD CERTAINLY DO, IF PART OF YOUR  
9 DIRECTION IS TO INITIATE AN AUDIT FUNCTION, IS  
10 WE COULD PURSUE THAT WITH THE DEPARTMENT OF  
11 FINANCE. OUR PRIOR EXPERIENCE WITH THE  
12 DEPARTMENT OF FINANCE IS THAT THEY ARE NOT  
13 NECESSARILY MORE COST-EFFECTIVE, BUT WE COULD  
14 CERTAINLY EVALUATE THAT.

15 MEMBER EATON: THE OTHER QUESTION THAT  
16 I WOULD HAVE IS THAT HOW ARE WE ATTEMPTING TO  
17 RECONCILE THE ALMOST 90,000 TON DISCREPANCY  
18 BETWEEN THE SUPPLIERS' REPORT AND THE  
19 CONSUMERS' REPORT?

20 MR. MULLER: WELL, LET ME SAY -- LET ME  
21 JUST BACK UP A LITTLE BIT TO DESCRIBE WHAT  
22 WE'VE DONE TO TRY TO FIND ERRORS.  
23 THE PROGRAM LOST A LOT OF  
24 INFORMATION BACK IN '95 WHICH WAS VERY HELPFUL.  
25 WE ELIMINATED ONE OF THE SECTIONS IN THE FORM,

1 AND WE USED TO CATCH 20 ERRORS A YEAR BY  
2 LOOKING AT SUPPLIER-SPECIFIC INFORMATION. SO,  
3 WE KNOW THERE ARE QUITE A BIT OF ERRORS EACH  
4 YEAR IN THE NEWSPRINT CONSUMER CERTIFICATIONS.  
5 SINCE THAT TIME THE ONLY AUDITING  
6 PROCEDURE THAT WE'VE HAD HAS BEEN A VERY CRUDE  
7 SYSTEM WHERE WE'VE LOOKED AT TWO OR THREE  
8 YEARS' PRIOR CERTIFICATION TOTAL AGGREGATE  
9 CONSUMPTION. AND IF WE NOTICE A BIG  
10 DISCREPANCY IN ANY OF THOSE YEARS, WE'LL MAKE A  
11 CALL AND JUST VERIFY THAT THAT'S ACCURATE.  
12 THAT'S BEEN THE ONLY INTERNAL AUDIT PROCEDURE  
13 THAT WE'VE HAD.  
14 WE REALLY DON'T HAVE ANY WAY OF  
15 DETERMINING WHERE THERE'S AN UNDETECTED ERROR  
16 WITHOUT DOING AN AUDIT.

17           MEMBER EATON: AND THAT WOULD LEAD ME  
18 TO MY NEXT POINT. I KNOW THAT YOU'VE  
19 RECOMMENDED THAT WE CONDUCT THESE AUDITS. NOW,  
20 THE AUDITS, THE 20 FIELD AUDITS -- 10 AND 10,  
21 NORTH AND SOUTH -- THOSE WOULD BE JUST FOR LATE  
22 FILERS, OR WOULD THEY INCLUDE THOSE THAT ALSO  
23 WERE IN COMPLIANCE?

24           MR. MULLER: THE RECOMMENDATION WAS TO  
25 SELECT COMPANIES THAT WERE CHRONICALLY LATE, OR

1 THE QUESTIONABLE CERTIFICATIONS, OR EVEN  
2 DELINQUENT.

3 MEMBER EATON: OKAY. THE REASON WHY  
4 I'M ASKING IS THAT ONE OF THE THINGS,  
5 OBVIOUSLY, IT SEEMS LIKE WE'RE LOOKING FOR  
6 OTHER ADDITIONAL INFORMATION TO PROVIDE FURTHER  
7 VERIFICATION. AND I DON'T KNOW IF WE HAVE THE  
8 AUTHORITY, STATUTORY OR REGULATORY, OR  
9 OTHERWISE, TO DO IT.

10 BUT, WOULD IT BE HELPFUL IF WE TOOK  
11 SOME OF THOSE 20 AUDITS AND PUT THEM TO USE  
12 WITH THOSE INDIVIDUALS WHO MAY HAVE ALREADY  
13 BEEN IN COMPLIANCE AS A WAY OF FINE-TUNING OUR  
14 OWN FACTS AND FIGURES?  
15 IN OTHER WORDS, NOT ONLY DO YOU  
16 AUDIT THOSE WHO MAY BE CHRONICALLY LATE OR JUST  
17 NOT ABIDING BY THE REQUIREMENTS, BUT THOSE THAT  
18 HAVE COMPLIED, AS WELL, AS A CROSS-CHECK.

19 MR. MULLER: WE COULD DO THAT.

20 MEMBER EATON: BUT WOULD IT BE HELPFUL?  
21 I MEAN, I DON'T KNOW, I'M ASKING YOU. IS THAT  
22 SOMETHING -- AS YOU'RE ASKING THE BOARD TO LOOK  
23 AT AUDITS -- WE WERE THINKING OF DOING SOME OF  
24 THAT WITH THE RPPC. I'M JUST TRYING TO FIND  
25 OUT, IS THERE A WAY THAT WE CAN KIND OF CROSS-

1 CHECK JUST TO FIND OUT IF WE MIGHT EVEN BE ABLE  
2 TO IMPROVE OR STREAMLINE THAT --

3 MS. TRGOVCICH: THAT'S CERTAINLY  
4 SOMETHING THAT WE COULD DO, BUT THE ONE THING  
5 I'D WANT TO BRING TO YOUR ATTENTION -- AND,  
6 RICK, CORRECT ME -- IS THAT I BELIEVE THERE  
7 WERE 69 LATE FILERS.

8 MR. MULLER: ACTUALLY, WITH THE LATEST  
9 ONE THAT CAME IN, 70.

10 MS. TRGOVCICH: SO, 70 LATE FILERS THIS  
11 YEAR. AND WE ARE LOOKING AT A TOTAL OF 20  
12 AUDITS IN ORDER TO NOT BLOW THE COST OUT ON  
13 THIS. SO THAT THE MORE ENTITIES THAT ARE IN  
14 COMPLIANCE AND NOT WITHIN THAT LATE-FILER  
15 CATEGORY THAT YOU INCLUDE, YOU DILUTE THE  
16 NUMBER OF LATE-FILERS THAT YOU'RE ACTUALLY  
17 GOING OUT.

18 AND WE'RE PROPOSING THIS AS A TOOL  
19 TO BE ABLE TO, ONE, CHECK WHAT INFORMATION THEY  
20 IN FACT ARE SUBMITTING IN, THE ACCURACY OF THAT  
21 INFORMATION, ET CETERA. AND, TWO, AS A METHOD  
22 TO GET THEM TO SUBMIT THEIR INFORMATION ON TIME  
23 IN THE COMING CERTIFICATION YEAR.

24 MEMBER EATON: UNLESS, OF COURSE, WE  
25 FIND THOSE 69 RIGHT FROM THE BEGINNING AND PUT

1 THEM IN AN AUDIT POOL.

2 MS. TRGOVCICH: THAT IS CERTAINLY AN  
3 OPTION BEFORE THE BOARD.

4 MR. MULLER: COULD I JUST ADD ONE THING  
5 THAT I NEGLECTED TO MENTION AND JUST BRIEFLY?  
6 THERE IS ONE KNOWN MANUFACTURER THAT FAILED TO  
7 CERTIFY THIS YEAR. THEY'RE A VERY MINOR  
8 PLAYER, AND I THINK I'M GOING TO BE ABLE TO GET  
9 THE CERTIFICATION IN LATE. BUT, I DO WANT TO  
10 MENTION THAT, THAT A CANADIAN COMPANY DIDN'T  
11 REPORT. AND THAT'S THE FIRST TIME A  
12 MANUFACTURER HAS FAILED TO CERTIFY FOR THE  
13 PROGRAM.

14 MEMBER JONES: MR. CHAIRMAN?

15 CHAIRMAN PENNINGTON: MEMBER JONES.

16 MEMBER JONES: ALONG THE LINES THAT MR.  
17 EATON WAS SAYING, IT WOULD SEEM TO ME -- YOU  
18 HAVE 20 AND YOU'RE GOING AFTER 69, BUT WE DON'T  
19 REALLY HAVE A BASE, YOU KNOW, SOMETHING TO  
20 COMPARE THEM WITH.

21 IT WOULD SEEM LIKE IF YOU TOOK TWO  
22 OF THAT 20 AND JUST WENT AFTER A COUPLE THAT  
23 WENT THROUGH THAT YOU WERE COMFORTABLE WITH THE  
24 NUMBERS, IT WOULD VERIFY, OR AT LEAST VALIDATE,  
25 YOUR COMFORT LEVEL WITH THOSE NUMBERS. IT

1 WOULD ALSO PROBABLY GIVE YOU SOME ASSISTANCE IN  
2 WHEN YOU'RE GOING TO THE ONES THAT AREN'T  
3 QUESTIONABLE.

4 MEMBER JONES: I THINK IT MAKES A LOT  
5 OF SENSE. AND IT'S ONLY TWO OUT OF -- YOU  
6 KNOW, IF WE WERE GOING TO DO 68, IT WOULD BE  
7 DIFFERENT, MAYBE. BUT I THINK THAT IT PROBABLY  
8 MAKES A LOT OF SENSE TO HAVE A BASE THAT YOU  
9 COULD FEEL COMFORTABLE WITH.

10 AND I THINK, TOO, IF IT'S OKAY WITH  
11 THE OTHER BOARD MEMBERS, TWO MAKES SENSE. IT'S  
12 10 PERCENT OF WHAT YOU WANT TO DO.

13 CHAIRMAN PENNINGTON: IT MAKES SENSE TO  
14 ME.

15 OKAY. ANY OTHER QUESTIONS OF STAFF?  
16 IF NOT, I'LL ENTERTAIN A MOTION.

17 MEMBER EATON: SO I GUESS TO JUST KIND  
18 OF GIVE STAFF SOME DIRECTION -- BECAUSE I THINK  
19 THAT'S WHY THEY BROUGHT THE MATTER BEFORE --  
20 ONE OF THE THINGS I THINK THAT AT LEAST THERE'S  
21 A CONSENSUS, AND I'LL TRY AND SPEAK FOR MYSELF  
22 AND HOPEFULLY INCLUDED IS THAT WE WOULD  
23 AUTHORIZE UP TO 20 AUDITS. BUT AT LEAST TWO --  
24 IRRESPECTIVE OF WHETHER THERE BE 18 OR 20 --  
25 WOULD BE FOR THOSE AREAS OF -- THAT MET WITH

1 COMPLIANCE SO THAT WE WOULD GET SOME CROSS-  
2 CHECK.  
3 I'M JUST GOING THROUGH AND READING  
4 THE RESOLUTION TO SEE IF THERE'S ANYTHING THERE  
5 THAT'S -- THAT MAY HAVE....  
6 DID WE DEAL WITH FINES AT ALL IN  
7 STAFF RECOMMENDATION? FINES? OR WAS THERE NOT  
8 ANY RECOMMENDATION --

9 MS. TRGOVCICH: THE STAFF  
10 RECOMMENDATION REFLECTS FINES -- OR, IT CERTAIN  
11 PROVIDES AN OPTION AS IT RELATES TO THE  
12 DELINQUENT FILER.  
13 BUT THAT WAS THE OPTION FOUR THAT  
14 RICK MENTIONED AT THE END, WHERE HE SAID THAT  
15 ONE OF THE THINGS THAT YOU MAY WANT TO CONSIDER  
16 IS LOOKING AT SETTING UP A PENALTY STRUCTURE  
17 FOR THOSE LATE CERTIFICATIONS COMING IN FOR  
18 CALENDAR YEAR '98, AND THOSE CERTS WOULD BE  
19 FILED ON MARCH 1 OF '99.  
20 YOU MAY WANT TO SET THAT DIRECTION  
21 IN ADVANCE SO EVERYONE KNOWS NEXT TIME AROUND  
22 YOU'RE NOT GOING TO DRAG THIS OUT FOR 30, 60,  
23 90 DAYS. THERE WILL BE A PENALTY IMPOSED.

24 MEMBER EATON: I THOUGHT I HEARD  
25 SOMETHING ADDITIONAL THERE, SO I JUST WANT TO

1 MAKE SURE YOU GET IT ALL --

2 MS. TRGOVCICH: IT'S NOT IN THE  
3 RESOLUTION.

4 MEMBER EATON: RIGHT.

5 MS. TRGOVCICH: YOU WOULD NEED TO  
6 INCLUDE THAT IN YOUR MOTION.

7 MEMBER EATON: IS THERE ANY PROBLEM  
8 WITH INCLUDING THAT AS PART OF THE RESOLUTION?

9 CHAIRMAN PENNINGTON: NO, THAT'S FINE.

10 MEMBER JONES: IT WORKS FOR ME.

11 MEMBER EATON: OKAY. I'M JUST WRITING  
12 IT DOWN SO THAT WE --

13 CHAIRMAN PENNINGTON: SURE.

14 MEMBER EATON: AND THAT WOULD BE  
15 SETTING UP A PENALTY STRUCTURE FOR THE MARCH  
16 1ST, 1999, FILING DEADLINE. IS THAT CORRECT,  
17 CAREN?

18 MS. TRGOVCICH: CORRECT.

19 MEMBER EATON: OKAY.

20 MS. TRGOVCICH: YOU'VE JUST MADE DEBBIE  
21 VERY HAPPY.

22 MEMBER EATON: ANYTHING ELSE? DO WE  
23 NEED TO DO ANYTHING ON THE COLLECTIONS ASPECT  
24 THAT THE CHAIRMAN RAISED?

25 MS. TRGOVCICH: THERE IS JUST -- IN

1 ADDITION, ON THE RESOLUTION, IF WHAT YOU'RE  
2 WORKING OFF OF IS THE RESOLUTION, THERE'S A "BE  
3 IT FURTHER RESOLVED" WITH RESPECT TO THE  
4 DELINQUENT CONSUMERS AND SO WE WOULD BE  
5 PURSUING THAT PATH, AS WELL.

6 MEMBER EATON: ALL RIGHTY, LET ME GIVE  
7 IT A GO AND SEE IF IT MEETS WITH THE CHAIR'S  
8 APPROVAL.

9 CHAIRMAN PENNINGTON: OKAY.

10 MEMBER EATON: I MOVE THAT WE ADOPT  
11 RESOLUTION 98-267, WHICH DEALS WITH THE  
12 CONSIDERATION OF THE ANNUAL STATUS REPORT FOR  
13 THE NEWSPRINT CERTIFICATION PROGRAM AND  
14 RECOMMENDATIONS CONCERNING AUDITS OF NEWSPRINT  
15 CONSUMERS, WITH THE TWO ADDITIONS TO THE  
16 RESOLUTION WHICH WOULD READ AS FOLLOWS:  
17 THAT THE BOARD GIVES ITS APPROVAL  
18 TO CONDUCTING UP TO 20 AUDITS, TWO OF WHICH  
19 SHOULD BE FOR THOSE CONSUMERS THAT HAVE MET THE  
20 COMPLIANCE LAW.  
21 AND, FURTHER, THAT THE APPROVAL IS  
22 GIVEN TO SET UP A PENALTY STRUCTURE FOR  
23 IMPLEMENTATION FOR THE CERTIFICATION PROCESS  
24 DUE FOR THE MARCH 1ST, 1999, DEADLINE.  
25 AM I MISSING ANYTHING?

1 MS. TRGOVCICH: NO. BUT I WOULD LIKE  
2 TO -- AND RAISE ONE ISSUE BEFORE THE BOARD -- 3 AND I NOTICE THAT  
KARIN FISH IS NOT HERE RIGHT  
4 NOW. BUT IN APPROVING THE AUDIT STRUCTURE,  
5 THEN THAT WOULD BE DIRECTION TO STAFF TO  
6 INCLUDE A CONTRACT CONCEPT THAT YOU WOULD THEN  
7 BE HEARING AUGUST 26TH, I BELIEVE THAT THAT  
8 ITEM IS PROPOSED TO BE HEARD, WHICH WOULD SET  
9 ASIDE FUNDS FOR PURPOSES OF CONDUCTING THESE  
10 AUDITS.

11 MEMBER EATON: THAT WOULD BE CORRECT.  
12 ABSOLUTELY. SO, DOES THAT SEEM TO HAVE COVERED  
13 EVERYTHING? DEBRA?

14 DEBRA: YES.

15 MEMBER EATON: THANK YOU.

16 CHAIRMAN PENNINGTON: MEMBER JONES,  
17 SECOND?

18 MEMBER JONES: YEAH, I'LL SECOND MR.  
19 EATON'S MOTION.

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

23 THE SECRETARY: MEMBERS EATON?

24 MEMBER EATON: AYE.

25 THE SECRETARY: FRAZEE?

1 MEMBER FRAZEE: AYE.  
2 THE SECRETARY: JONES?  
3 MEMBER JONES: AYE.  
4 THE SECRETARY: CHAIRMAN PENNINGTON?  
5 CHAIRMAN PENNINGTON: AYE.  
6 MOTION CARRIES.  
7 MOVING ON TO ITEM NO. 20, UPDATE ON  
8 THE RECYCLING MARKET DEVELOPMENT REVOLVING LOAN  
9 PROGRAM CONTRACTS FOR 1) LOAN SERVICING; 2)  
10 LOAN CLOSING; AND, 3) SPECIALIZED CREDITOR  
11 ASSISTANCE (LEGAL SERVICES) . MS. TRGOVCICH.  
12 AGENDA ITEM NO. 20: UPDATE ON RECYCLING MARKET  
13 DEVELOPMENT REVOLVING LOAN PROGRAM CONTRACTS  
14 FOR 1) LOAN SERVICING; 2) LOAN CLOSING; AND,  
15 3) SPECIALIZED CREDITOR ASSISTANCE (LEGAL  
16 SERVICES)  
17 MS. TRGOVCICH: THANK YOU VERY MUCH,  
18 CHAIRMAN PENNINGTON AND MEMBERS. JIM LA  
19 TANNER, WHO IS THE SUPERVISOR OVER THE LOAN  
20 PROGRAM, WILL BE PRESENTING THIS ITEM. HE IS  
21 GOING TO BE COVERING THREE OF THE LOAN  
22 SERVICING CONTRACTS. WHEN HE CONCLUDES I AM  
23 GOING TO PROVIDE YOU WITH AN UPDATE ON OUR  
24 INTER-AGENCY AGREEMENT WITH THE CALIFORNIA  
25 POLLUTION CONTROL FINANCING AUTHORITY TO

1 PARTICIPATE IN THE CALCAP PROGRAM.  
2 MR. LA TANNER: OKAY. MY NAME IS JIM  
3 LA TANNER. WE HAVE THREE MAJOR OUTSIDE  
4 CONTRACTS TO HELP WITH THE LOAN PRODUCTION AND  
5 PROCESSING OF LOAN APPLICATIONS.  
6 THE FIRST ONE IS CONTRACT NO. C-  
7 7032, WITH AMERICAN RIVER BANK. THE ORIGINAL  
8 AMOUNT'S 200,000, ORIGINATED IN NOVEMBER, '97,  
9 FOR 30 MONTHS TO EXPIRE IN MAY OF THE YEAR  
10 2000. THE DUTIES ON THAT CONTRACT IS FOR  
11 AMERICAN RIVER BANK TO PROVIDE LOAN CLOSING  
12 SERVICES. CURRENTLY WE'RE CLOSING TWO LOANS,  
13 COMP AND CHAPIN (PHONETIC) THAT WERE PREVIOUSLY  
14 APPROVED BY THE BOARD.  
15 THE BANK IN A VERY SHORT TIME  
16 PERIOD WAS ABLE TO PREPARE LOAN DOCUMENTS FOR  
17 THOSE THAT HAVE BEEN DELIVERED TO ESCROW, IN A  
18 VERY EXPEDIENT MANNER, THAT FULLY MEETS THE  
19 SERVICE OF THAT CONTRACT AND WE'RE VERY PLEASED  
20 WITH THEIR SERVICE ON THAT.  
21 THE SECOND CONTRACT IS NO. 0-7014,  
22 ALSO WITH AMERICAN RIVER BANK, IN THE AMOUNT OF  
23 208,000, ORIGINATED IN OCTOBER, '97, FOR 31  
24 MONTHS, WITH A CURRENT OUTSTANDING AVAILABLE  
25 BALANCE OF 135,123. THAT CONTRACT SEPARATELY

1 PROVIDES FOR THE LOAN SERVICING.  
2 WE PRESENTLY HAVE 41 LOANS  
3 OUTSTANDING THAT HAVE BEEN APPROVED AND ARE IN  
4 REPAYMENT MODE TOTALING \$14 MILLION. THE BANK  
5 IS ACTIVELY COLLECTING THE PAYMENTS ON THOSE  
6 LOANS, FILING FOR ANNUAL UPDATES FROM THE  
7 COMPANIES ON FINANCIAL STATEMENTS AND LOAN  
8 COVENANTS AND OPENLY ACCEPTS ALL OF OUR PHONE  
9 CALLS AND RESPONDS THE SAME DAY, PERFORMING  
10 VERY SATISFACTORILY ON THAT CONTRACT.  
11 THE THIRD CONTRACT IS NO. C-7038,  
12 WITH A LEGAL FIRM, BOUTIN, DETINO, GIBSON &  
13 DEGUSTO, IN THE CONTRACT AMOUNT OF 250,000,  
14 ORIGINATED IN NOVEMBER, '97, FOR 18 MONTHS,  
15 EXPIRING MAY OF '99. THERE IS CURRENTLY  
16 193,427 AVAILABLE ON THAT CONTRACT.  
17 THE PRIMARY PURPOSE OF THAT  
18 CONTRACT AT THIS TIME IS TO PERFORM LEGAL  
19 SERVICES PRIMARILY FOR THE COLLECTION OF LOANS  
20 THAT ARE DELINQUENT OR IN WATCH-MODE THAT HAVE  
21 BEEN DELINQUENT THAT ARE NOW CURRENT. THERE IS  
22 EIGHT OF THOSE LOANS. THE PRIMARY FUNCTION  
23 THEY DO FOR US IS MAKE LOAN NEGOTIATION,  
24 STRUCTURING WORK-OUTS, AND WORKING WITH THE  
25 BORROWER TO REFLECT REPAYMENT AND POSSIBLY

1 REWRITING THE LOAN ON A NEW STRUCTURE TO  
2 COLLECT THOSE PAYMENTS.  
3 THERE SERVICE HAS BEEN PERFORMED  
4 SATISFACTORILY TO US, AND THEY OPENLY NEGOTIATE  
5 WITH THE BORROWER AND INVOLVE US IN ALL OF THE  
6 ASPECTS THROUGH LIZ CLAYTON.

7 CHAIRMAN PENNINGTON: OKAY. ANY  
8 QUESTIONS?

9 MEMBER EATON: YEAH, I HAVE A COUPLE.

10 CHAIRMAN PENNINGTON: MR. EATON.

11 MEMBER EATON: WHICH ONE WAS THE LOAN  
12 CLOSING CONTRACT? IS THAT THE LAST ONE?

13 MR. LA TANNER: THE LOAN CLOSING WAS  
14 THE FIRST CONTRACT, C-7032 FOR 200,000. AND —

15 MEMBER EATON: WHEN WAS THIS CONTRACT  
16 APPROVED?

17 MR. LA TANNER: THE CONTRACT ORIGINATED  
18 NOVEMBER 1, '97.

19 MEMBER EATON: OKAY. AND THEY'VE  
20 PROCESSED HOW MANY LOANS?

21 MR. LA TANNER: WE ARE CURRENTLY  
22 PROCESSING TWO LOANS, WHICH WERE THE FIRST TWO  
23 PERFORMED UNDER THAT CONTRACT.

24 MEMBER EATON: OKAY.

25 MS. TRGOCICK: IT'S IMPORTANT FOR US TO

1 CONVEY -- AND I STEPPED OUT OF THE ROOM BRIEFLY  
2 -- BUT, PART OF THE TERMS OF THIS CONTRACT WAS  
3 THAT THE AMERICAN RIVER BANK WOULD BE USING A  
4 COMPUTERIZED LOAN-CLOSING SERVICE.  
5 AND IT TOOK A SIGNIFICANT AMOUNT OF  
6 TIME AND, ACTUALLY, WITH OUR OUTSIDE LEGAL  
7 CONTRACT TO MODIFY THOSE LOAN DOCUMENTS, ITS  
8 COVENANTS AND PROVISIONS WITHIN THEM. SO, WE  
9 ARE JUST NOW ABLE TO PROCESS USING THAT  
10 COMPUTERIZED VEHICLE.

11           MEMBER EATON: AND THEN WITH REGARD TO  
12 THE LOAN SERVICING CONTRACT, DO YOU HAVE, LIKE,  
13 FACTS AND FIGURES? WHEN YOU SAY "IT'S  
14 SATISFACTORY TO US," I DON'T KNOW WHAT "US"  
15 MEANS AND WHAT'S SATISFACTORY.  
16 I MEAN, TO ME IT DOES -- HAVE WE SEEN  
17 SPECIFIC DATA ON THE DEGREE OF DELINQUENCIES,  
18 FOR INSTANCE?

19           MR. LA TANNER: YES, WE --

20           MEMBER EATON: OR LATE PAYMENTS? AND  
21 IF SO, HOW MUCH? I MEAN, THOSE ARE KINDS --  
22 I'M SORT OF A MEAT AND POTATOES KIND OF PERSON,  
23 SO I LIKE TO KNOW WHAT'S BEING COLLECTED AND  
24 WHAT'S NOT BEING COLLECTED WITH OUTSIDE  
25 CONTRACTS.

1           MR. LA TANNER: RIGHT. WE GET MONTHLY  
2 REPORTS FROM AMERICAN RIVER BANK. ONE IS A  
3 TRIAL BALANCE SHOWING ALL 41 LOANS, THE  
4 PRINCIPAL, AND THE BREAKDOWN OF THOSE LOANS'  
5 REPAYMENT.  
6 THE SECOND REPORT WE GET IS A  
7 DELINQUENCY REPORT AT THE BEGINNING OF EACH  
8 MONTH. IT TELLS THE NUMBER OF LOANS THAT HAVE  
9 NOT MADE THE PAYMENT BY THE DUE DATE. ALL  
10 LOANS ARE DUE ON THE 1ST, PAYMENTS DELINQUENT  
11 AFTER THE TENTH DAY. OF EIGHT LOANS, FOUR ARE  
12 CURRENT AND FOUR ARE JUST ABOUT ONE MONTH  
13 BEHIND, BUT ARE IN CURRENT NEGOTIATIONS.

14           MEMBER EATON: GOOD. THANK YOU.

15           CHAIRMAN PENNINGTON: ANY OTHER  
16 QUESTIONS?

17           MS. TRGOVCICH: IF I COULD PROVIDE YOU  
18 WITH A BRIEF UPDATE ON OUR -- THE STATUS OF  
19 PARTICIPATION ON CALCAP NOW?

20           CHAIRMAN PENNINGTON: SURE.

21           MS. TRGOVCICH: AS YOU'RE AWARE, OVER A  
22 YEAR AGO YOU AUTHORIZED AS A RESULT OF  
23 LEGISLATION BOARD'S PARTICIPATION IN CPCFA'S  
24 CALCAP PROGRAM WHICH IS ESSENTIALLY AN ACCESS  
25 TO CAPITAL PROGRAM. LEGISLATION AUTHORIZED UP

1 TO \$500,000 FROM THE RMDZ SUB-ACCOUNT TO BE  
2 TRANSFERRED OVER FOR USE IN THIS PROGRAM.  
3 WE HAVE SPENT THE LAST YEAR IN SOME  
4 FAIRLY INTENSE NEGOTIATIONS WITH CPCFA. THEY  
5 HAVE UNDERGONE SIGNIFICANT CHANGE OVER THE LAST  
6 YEAR. YOU'LL PROBABLY REMEMBER FRED SMITH  
7 STANDING BEFORE YOU OVER A YEAR AGO AS  
8 EXECUTIVE DIRECTOR. MR. SMITH IS NO LONGER  
9 WITH CPCFA, THEY HAVE A NEW EXECUTIVE DIRECTOR.  
10 IN ADDITION, UNDER MR. SMITH, CPCFA  
11 WENT THROUGH A FAIRLY SUBSTANTIAL INTERNAL  
12 AUDIT OF ITS CALCAP AND OTHER PROGRAMS. THAT  
13 DELAYED ANY NEGOTIATIONS UNTIL DECEMBER OF LAST  
14 YEAR. ONCE WE WERE ABLE TO SEE THE RESULTS OF  
15 THAT AUDIT AND CPCFA WAS ABLE TO DETERMINE WHAT  
16 THEY WANTED TO DO WITH CALCAP, WE BEGAN  
17 DISCUSSIONS WITH THEM.  
18 THERE WERE SIGNIFICANT ROADBLOCKS,  
19 I THINK, WITH THE STAFF'S PARTICIPATION. AND I  
20 WOULD LIKE TO ACKNOWLEDGE CALVIN YOUNG'S  
21 PARTICIPATION. HE LED THOSE NEGOTIATIONS. WE  
22 WERE ABLE TO OVERCOME MOST OF THE HURDLES.  
23 ONE OF THE FINAL HURDLES THAT WE  
24 HAD WAS WITH RESPECT TO THE AVAILABILITY OF THE  
25 FUNDS WITHIN THE STATE. YOU'LL LIKELY REMEMBER

1 THAT THE TERMS OF APPROVAL OF PARTICIPATION BY  
2 THE BOARD WAS THAT THESE FUNDS AND ACCESS TO  
3 THIS PROGRAM BE LIMITED TO THE 40 ZONES  
4 APPROVED BY THE BOARD AND THE STATE.  
5 BECAUSE OF THE WAY CALCAP IS SET UP  
6 AND ITS PARTICIPATING BANKS, THIS CREATED A  
7 SIGNIFICANT ROADBLOCK FOR CPCFA AND THEY WERE  
8 UNWILLING TO PROCEED IN ORDER TO LIMIT THE  
9 VARIOUS BANKS PARTICIPATING IN THE PROGRAM  
10 THEIR ABILITY TO APPROVE LOANS. ESPECIALLY  
11 WHEN A ZONE MAY NOT BE SPECIFICALLY CONTIGUOUS  
12 WITH A CITY BOUNDARY OR A COUNTY BOUNDARY.  
13 THERE'S A LOT LEFT TO INTERPRETATION THERE.  
14 WE HAVE WORKED WITH OUR LEGAL  
15 OFFICE AND WITH SEVERAL OF THE MEMBERS' OFFICES  
16 OVER THE LAST SEVERAL MONTHS AND LEGAL HAS  
17 REVIEWED SUBSTANTIALLY THE STATUTES PERTAINING  
18 TO BOTH OUR PROGRAM AS WELL AS THE CALCAP  
19 PROGRAM. AND IT'S BEEN INTERPRETED FOR  
20 PURPOSES OF PARTICIPATING IN THE CALCAP  
21 PROGRAM, BECAUSE IT'S LEGISLATION — IT'S  
22 AUTHORIZING LEGISLATION WOULD SUPERSEDE THAT OF  
23 ANY CONTRIBUTOR AGENCY, THAT THE BUSINESS  
24 PROJECT DOES NOT NECESSARILY HAVE TO BE LOCATED  
25 WITHIN ONE OF OUR 40 RMDZS.

1 SO, BASED UPON THAT INTERPRETATION,  
2 WE ARE INTENDING TO PROCEED TO FINALIZE AN  
3 INTERAGENCY AGREEMENT THAT WOULD ALLOW FOR  
4 ACCESS TO THIS PROGRAM ON A STATEWIDE BASIS.  
5 WE WILL BE MODIFYING THE CALCAP  
6 ENROLMENT FORM TO ADD SPECIFICALLY CHECK-BOXES  
7 TO MAKE SURE THAT THE PROJECT MEETS THE BOARD'S  
8 ELIGIBILITY CRITERIA. YOU'LL REMEMBER THAT YOU  
9 APPROVED CRITERIA THAT WERE, IN FACT, BROADER  
10 THAN THE CRITERIA FOR THE RMDZ LOAN PROGRAM  
11 THAT WE OPERATE HERE AT THE BOARD OVER A YEAR  
12 AGO.  
13 IN ADDITION IS ONE FINAL  
14 MODIFICATION. BECAUSE OF THE WAY THE CALCAP  
15 STRUCTURE IS INITIATED, IT IS UNTENABLE. IT IS  
16 NOT POSSIBLE FOR A BANK TO HAVE PRE-APPROVAL OF  
17 THESE LOANS IN ADVANCE. THEY ARE FOR VERY  
18 SMALL AMOUNTS. THEY MOVE VERY QUICKLY, YOU  
19 KNOW, IN A MATTER OF HOURS OR LESS THAN THAT.  
20 PEOPLE COME IN, THEY EXPLAIN THEIR PROJECT,  
21 THEY FILL OUT THE FORMS, AND THEY'RE APPROVED  
22 OR NOT OR DENIED.  
23 AND, SO WHAT WE'VE WORKED OUT WITH  
24 CPCFA IS AN AGREEMENT WHEREBY WE WILL BE  
25 REVIEWING ALL APPLICATIONS APPROVED, AND WE CAN

1 REVISIT PARTICIPATION AND REVISIT OUR  
2 ELIGIBILITY CRITERIA AT ANY POINT IN TIME.  
3 AND, JUST TO REMIND THE BOARD, THAT  
4 THESE FUNDS CAN BE WITHDRAWN. THEY CAN BE  
5 DISENCUMBERED AT ANY POINT. AND WE RETAIN  
6 INTEREST EARNINGS ON THE MONIES SET ASIDE FOR  
7 THIS PROGRAM.  
8 AND, IF YOU HAVE ANY QUESTIONS WE  
9 CAN CERTAINLY ANSWER THEM.

10 CHAIRMAN PENNINGTON: THANK YOU. NO  
11 QUESTIONS? OKAY. THANK YOU VERY MUCH.  
12 NOW WE'LL MOVE TO ITEM 22,  
13 CONSIDERATION OF APPROVAL OF PROPOSED RANKING  
14 CRITERIA AND SCORING PROCESS FOR TWO FISCAL  
15 YEAR 1998-99 TIRE RECYCLING GRANTS: (1) LOCAL  
16 GOVERNMENT PUBLIC EDUCATION AND AMNESTY DAY  
17 GRANTS AND (2) LOCAL GOVERNMENT PLAYGROUND  
18 COVER AND SURFACING GRANTS.

19 AGENDA ITEM NO. 22: CONSIDERATION OF APPROVAL  
20 OF PROPOSED RANKING CRITERIA AND SCORING  
21 PROCESS FOR TWO FISCAL YEAR 1998-99 TIRE  
22 RECYCLING GRANTS:  
23 (1) LOCAL GOVERNMENT PUBLIC EDUCATION AND  
24 AMNESTY DAY GRANTS AND (2) LOCAL GOVERNMENT  
25 PLAYGROUND COVER AND SURFACING GRANTS

1 MS. TRGOVCICH: CHAIRMAN PENNINGTON,  
2 MARTHA GILDART WILL MAKE THIS PRESENTATION.  
3 MS. GILDART: GOOD AFTERNOON. STAFF IS  
4 REQUESTING APPROVAL OF THE PROPOSED RANKING  
5 CRITERIA AND SCORING PROCESS FOR THE FISCAL  
6 YEAR 1998-99 PLAYGROUND COVER AND SURFACING  
7 GRANTS AND THE LOCAL GOVERNMENT PUBLIC  
8 EDUCATION AND AMNESTY DAY GRANTS.  
9 AS YOU REMEMBER, IN APRIL THE BOARD  
10 HAD ALLOCATED FUNDING FOR THOSE TWO GRANT  
11 PROGRAMS. \$300,000 WAS MADE AVAILABLE FOR  
12 PLAYGROUND GRANTS AND \$150,000 FOR LOCAL  
13 GOVERNMENTS TO USE IN PUBLIC EDUCATION AND  
14 LOCAL CLEANUP AMNESTY DAY GRANTS.  
15 EACH OF THESE IS A 50 PERCENT  
16 REQUIREMENT, 50 PERCENT MATCH REQUIREMENT OF  
17 THE LOCAL GOVERNMENT ENTITY. THE PLAYGROUND  
18 MAT HAS A MAXIMUM FUNDING OF 25,000, AND THE  
19 LOCAL GOVERNMENT AMNESTY DAY HAS A MAXIMUM OF  
20 15,000.  
21 WHAT WE ARE ASKING FOR APPROVAL  
22 TODAY IS THE GENERAL CRITERIA AND THE  
23 PREFERENCE CRITERIA. THE GENERAL CRITERIA ARE  
24 THOSE WHICH HAVE BEEN ADOPTED IN THE PAST BY  
25 THE BOARD FOR ALL THE GRANT PROGRAMS, BUT THERE

1 IS THE ABILITY TO CHANGE CERTAIN DETAILS. AND  
2 THIS YEAR WE ARE INCREASING THE POINTS FOR THE  
3 CRITERIA OF NEED, HOPING THAT THE INDIVIDUAL  
4 LOCAL GOVERNMENT WILL BE ABLE TO MAKE A PITCH  
5 FOR WHAT ITS NEEDS ARE.  
6 THE PREFERENCE CRITERIA, THIS YEAR  
7 WE'RE PROPOSING THREE OF THEM.  
8 THE FIRST ONE IS THAT THE LOCAL  
9 GOVERNMENT APPLYING FOR THE GRANT WILL NOT HAVE  
10 RECEIVED ONE IN THE LAST THREE FISCAL YEARS.  
11 THIS IS AN ATTEMPT TO SPREAD THE MONIES AROUND  
12 A BIT TOO WIDELY. WE DO FIND OCCASIONALLY WE  
13 HAVE PEOPLE COMING BACK YEAR AFTER YEAR.  
14 THE SECOND PREFERENCE CRITERIA IS  
15 THE DEGREE TO WHICH A RECYCLING PROGRAM HAS  
16 BEEN DEVELOPED AND IMPLEMENTED BY THE LOCAL  
17 GOVERNMENT OR ITS SUBDIVISION. AND THE INTENT  
18 HERE IS TO USE IT AS AN INDICATOR OF THE EFFORT  
19 THAT THEY WILL PUT INTO THE ACTUAL CONDUCT OF  
20 THE TIRE RECYCLING GRANT.  
21 THE THIRD ONE IS FROM THE STATUTE,  
22 PUBLIC RESOURCES CODE 42874 (B), AND IT IS THE  
23 COST PER TIRE. THE IDEA THAT WE ARE WANTING TO  
24 FUND THE MORE COST-EFFECTIVE TYPES OF PRODUCTS,  
25 SUCH AS PLAYGROUND MATS.

1 THERE ARE, I MUST MENTION HERE,  
2 THREE OTHER CRITERIA THAT HAVE BEEN SPECIFIED  
3 IN THE PRC, BUT WE FEEL THAT THE BOARD HAS  
4 ALREADY ADDRESSED THOSE THREE CRITERIA BY THE  
5 FACT THAT WE'VE ESTABLISHED THIS PROGRAM.  
6 AND ONE OF THEM IS THAT THERE ARE  
7 AVAILABLE MARKETS FOR THE PROPOSED GRANTS.  
8 WELL, THESE ARE IDENTIFIED AS MARKETS SO WE DO  
9 NOT FEEL WE HAVE RANKED THE INDIVIDUAL  
10 APPLICATIONS ON THOSE. THEY ARE TO BE JUDGED  
11 ON THE QUANTITY OF TIRES DIVERTED.  
12 WELL, THAT WOULD, THEREFORE, GIVE  
13 PREFERENCE TO THE LARGER PROJECTS OVER THE  
14 SMALLER. AND WHAT WE WANT TO DO IS TO LOOK AT  
15 THIS IN THE AGGREGATE AND SAY THAT, YES, THESE  
16 USES -- PLAYGROUND MATS, SURFACING, WHATEVER --  
17 ARE APPROPRIATE USES THAT WILL DIVERT TIRES IN  
18 LARGE QUANTITIES, AND WE'RE NOT GOING TO MAKE  
19 IT A COMPETITIVE CRITERIA.  
20 AND THEN THE THIRD ONE THAT HAS  
21 BEEN USED IN THE PAST IS THE DEGREE TO WHICH  
22 THE ENVIRONMENTAL ISSUES HAVE BEEN ADDRESSED.  
23 AND WE ARE SAYING THAT BOTH OF THESE DO ADDRESS  
24 ENVIRONMENTAL ISSUES, BOTH BY USING THE TIRES  
25 IN PLAYGROUND MATS OR BY PROVIDING FOR FUNDS

1 FOR CLEANUP IN THE AMNESTY DAYS.  
2 SO, THOSE THREE ARE NOT LISTED  
3 SPECIFICALLY TO JUDGE THESE APPLICATIONS UNDER.  
4 THERE IS AN ATTACHMENT TO YOUR ITEM  
5 WHICH LAYS OUT ALL OF THE CRITERIA, AND I DO  
6 HAVE COPIES OF THE NOTICE THAT WE WILL BE  
7 RELEASING AS SOON AS WE HAVE THE APPROVAL OF  
8 THE BOARD ON THE CRITERIA.  
9 SO, IF THERE ARE ANY OTHER  
10 QUESTIONS?

11 CHAIRMAN PENNINGTON: QUESTIONS?

12 MEMBER EATON: I HAVE A COUPLE, OR ONE  
13 REQUEST.

14 CHAIRMAN PENNINGTON: MR. EATON.

15 MEMBER EATON: FIRST AND FOREMOST, I'D  
16 APPRECIATE IN THE NEW FORMAT IF WE COULD SEE  
17 THE NOFA, EACH OF THE BOARD OFFICES BEFORE IT  
18 GOES OUT, I THINK THAT WOULD BE HELPFUL. FIRST  
19 AND FOREMOST.

20 MS. GILDART: I CAN MAKE IT AVAILABLE  
21 RIGHT NOW.

22 MEMBER EATON: OKAY. THE OTHER ISSUE  
23 IS, I KNOW THE PROGRAM IN THE PAST, FROM WHAT  
24 PEOPLE HAVE TOLD ME, HAVE OPERATED THAT THE  
25 TIRES WOULD BE USED. IS THAT ANYWHERE IN

1 WRITING IN THE NOFA?

2 MS. GILDART: I BELIEVE THAT'S IN THE  
3 APPLICATION PACKAGE.

4 MEMBER EATON: IT IS?

5 MS. GILDART: THE NOTICE IS MERELY A  
6 VEHICLE TO LET THE ENTITY KNOW THAT THIS IS  
7 AVAILABLE.

8 MEMBER EATON: RIGHT. BUT WILL THAT BE  
9 -- WILL WE USE THAT?

10 MS. GILDART: YES, IT IS.

11 MEMBER EATON: GOOD.

12 MS. GILDART: IT IS A REQUIREMENT.

13 AND, IN FACT, WE HAVE THEM SIGN AN AFFIDAVIT  
14 THAT THE TIRE RUBBER IS FROM CALIFORNIA TIRES.  
15 NOW, WE DON'T PUSH IT SO FAR AS TO  
16 SAY EACH AND EVERY FLECK OF RUBBER IS A  
17 CALIFORNIA TIRE. FOR INSTANCE, THERE ARE  
18 ARIZONA CRUMB PRODUCERS WHO IMPORT CALIFORNIA  
19 TIRES AND PRODUCE CRUMB. WHAT WE NEED TO LOOK  
20 AT IS THAT THOSE TONS OF CRUMB DON'T EXCEED  
21 THEIR TONS OF IMPORTS. BUT, WE CAN'T  
22 NECESSARILY HAVE THEM GUARANTEE THAT IT WAS  
23 ONLY CALIFORNIA TIRES THAT WENT INTO THOSE  
24 ACTUAL POUNDS OF CRUMB.

25 MEMBER EATON: IS THERE ANY REASON THAT

1 WE DON'T SPECIFICALLY PUT SCHOOLS IN, IN THE  
2 PREFERENCE CRITERIA?

3 MS. GILDART: THIS YEAR -- OUR  
4 UNDERSTANDING FROM THE BOARD DIRECTION IN APRIL  
5 WAS TO EXPAND THE PLAYGROUND MAT PROGRAM TO ANY  
6 LOCAL GOVERNMENT SUBDIVISION. SO, IT COULD BE  
7 A SCHOOL DISTRICT; IT COULD BE A PARK AND  
8 RECREATION DISTRICT, THAT IT WAS TO BE NOT  
9 LIMITED JUST TO SCHOOLS.

10 MS. TRGOVICH: I GUESS THAT WAS A PART  
11 OF THE DISCUSSION IN -- WHERE WERE WE --

12 MEMBER EATON: SAN DIEGO.

13 CHAIRMAN PENNINGTON: WAS IT SAN DIEGO?

14 MEMBER EATON: YEAH, THAT WAS FOR  
15 SCHOOL TRACKS AND THOSE KINDS OF THINGS, AND  
16 RUNNING TRACKS AND THINGS OF THAT NATURE. I  
17 DON'T --

18 MS. TROGOVCICH: I BELIEVE THAT THE  
19 DISCUSSION WAS SINCE THIS WAS THE -- THIS WOULD  
20 BE THE THIRD YEAR THAT WE HAD RUN THE  
21 PLAYGROUND GRANT PROGRAM AND THE PRIOR TWO  
22 YEARS WERE TARGETED SPECIFICALLY AT SCHOOLS,  
23 THAT WE WOULD BROADEN IT AND OPEN IT UP.

24 MS. GILDART: AND THERE WAS AN  
25 ADDITIONAL REASON, AND IT MAY OR MAY NOT HAVE

1 COME OUT IN DETAIL AT THE APRIL MEETING. AND  
2 THAT IS, UNDER THE AMERICANS WITH DISABILITIES  
3 ACT THE REQUIREMENT IS PLACED ON COMMUNITIES OF  
4 CERTAIN SIZES THAT WITHIN A GIVEN DISTANCE YOU  
5 HAVE "X" PERCENTAGE OF YOUR PLAYGROUNDS THAT  
6 ARE HANDICAP-ACCESSIBLE. IT DOESN'T LOOK AT  
7 JUST SCHOOL PLAYGROUNDS. IT LOOKS AT ALL  
8 PLAYGROUNDS.

9 SO, WE FELT BY OPENING THIS UP TO  
10 THE COMMUNITY AT LARGE, WE WOULD BE SERVING A  
11 GREATER PORTION OF THE HANDICAPPED POPULATION.

12 MEMBER EATON: SO WITH REGARD TO YOUR  
13 PREFERENCE CRITERIA, IF THE CITY OF SAN DIEGO  
14 OR THE CITY OF REDDING FOR THAT MATTER OR THE  
15 CITY OF SANTA BARBARA FOR THAT MATTER OR THE  
16 CITY OF LOS ANGELES OR SAN FRANCISCO HAD  
17 RECEIVED A GRANT IN THE PAST THREE YEARS, THEY  
18 WOULD NOT BE RANKED AS HIGH, EVEN THOUGH THEIR  
19 NEED MAY BE JUST AS GREAT, DEPENDING UPON THE  
20 PARTICULAR AREA THAT THEY'RE TRYING TO SERVICE.  
21 CORRECT?

22 MS. GILDART: THEY WOULD NOT GET THE  
23 FULL 10 POINTS ON THAT CRITERION. BUT IF THEY  
24 COULD SHOW GREATER NEED, THERE ARE NOW 20  
25 POINTS AVAILABLE UNDER THAT CRITERION.

1           MEMBER EATON: AND HOW MANY REOCCURRING  
2 GRANTS HAVE WE AWARDED OVER THE PAST THREE  
3 YEARS THAT MADE YOU COME TO THE DECISION THAT A  
4 PREFERENCE -- IF YOU HAD RECEIVED A GRANT  
5 WITHIN THE LAST THREE YEARS, THAT SOMEHOW YOU  
6 WERE GOING TO BE TAKING AWAY..  
7 SEE, MY UNDERSTANDING IS THAT WE  
8 HAVE A HARD TIME GETTING PEOPLE TO APPLY FOR  
9 SOME OF THESE KINDS OF THINGS, SO --

10           MS. GILDART: WELL, WHAT WE FOUND IS  
11 THAT SOME OF THE SAME PEOPLE APPLY OVER AND  
12 OVER. THIS MAY BE A LITTLE BIT MORE PREVALENT  
13 IN THE PRIVATE SECTOR. IN FACT, THERE ARE A  
14 COUPLE ENTITIES I COULD NAME THAT SEEM TO HAVE  
15 HAD GRANTS EVERY SINGLE YEAR THAN IN THE  
16 PUBLIC.  
17 BUT, THERE HAVE BEEN CERTAIN PUBLIC  
18 -- YOU KNOW, LOCAL GOVERNMENTS THAT WE HAVE  
19 GIVEN SEQUENTIAL GRANTS TO, EITHER FOR THE  
20 PURCHASE OF SHREDDING EQUIPMENT, FOR THE  
21 LANDFILL OPERATIONS, OR FOR APPLICATION OF  
22 RUBBERIZED ASPHALT OR FOR PUBLIC EDUCATION. WE  
23 DO FIND THAT CERTAIN GOVERNMENTAL ENTITIES COME  
24 BACK TO US YEAR AFTER YEAR.

25           MS. TROGVCICH: IT'S CERTAINLY

1 SOMETHING THAT WE COULD PRECLUDE FROM BEING ONE  
2 OF THE CRITERIA. I THINK THAT WHAT WE WERE  
3 JUST TRYING TO PROPOSE HERE WAS A MECHANISM TO  
4 BE ABLE TO GET MORE COMMUNITIES THAT HAD NOT  
5 COME IN UNDER OUR TIRE PROGRAMS IN THE PAST, TO  
6 MAKE THIS PROGRAM MORE AVAILABLE TO THEM. BUT  
7 WE CAN CERTAINLY MODIFY THAT.

8           MEMBER EATON: WELL, MY QUESTION JUST  
9 KIND OF IS, I'M NOT SURE IF IT'S A FUNCTION OF  
10 JUST VERY SMART PEOPLE WHO KNOW HOW TO WORK THE  
11 SYSTEM, OR IS IT A FAILURE FOR US TO GO OUT AND  
12 ACTUALLY ENGAGE THOSE LOCAL GOVERNMENTS WITH  
13 WHAT WE HAVE. IT'S OUR OWN MARKETING AND OUR  
14 OWN OUTREACH. AND THAT'S NOT A CRITICISM,  
15 THAT'S JUST KIND OF A WAY TO KIND OF LOOK AT  
16 SOME THINGS.  
17 BECAUSE I THINK THERE ARE CERTAIN  
18 SPECIFIC KINDS OF PROJECTS. YOU KNOW, YOU HAVE  
19 A CITY LIKE REDDING, FOR INSTANCE, OR YOU COULD  
20 HAVE SANTA BARBARA, THAT HAVE -- YOU KNOW, IF  
21 YOU'RE GOING TO INCLUDE SCHOOLS AND/OR PARKS,  
22 MAY HAVE SEVERAL SCHOOL DISTRICTS OR SEVERAL  
23 DIFFERENT PARKS, IF YOU'RE GOING TO EXPAND IT,  
24 THAT COULD HAVE IT.  
25 AND I DON'T WANT TO SEE ANY OF

1 THOSE INDIVIDUALS -- JUST BECAUSE THEY'RE  
2 ACTUALLY IN TUNE WITH WHAT WE'RE DOING AND  
3 TRYING TO HELP THEIR COMMUNITIES AND EDUCATE  
4 THEM, THAT WE SOMEHOW DING THEM BECAUSE THEY  
5 WERE SMART.

6 MS. TRGOVCICH: ONE OF THE THINGS THAT  
7 WE HAVE FOUND -- AND I BELIEVE IT WAS PART OF  
8 THE BOARD'S DISCUSSION, ESPECIALLY ON THE  
9 PLAYGROUND PROGRAM -- IS THAT IN THE PRIOR TWO  
10 YEARS THE NUMBER OF NOT JUST APPLICATIONS BUT  
11 ELIGIBLE APPLICATIONS HAS EXCEEDED THE AMOUNT  
12 OF FUNDS THAT THE BOARD HAS MADE AVAILABLE.  
13 AND WE HAVE AUGMENTED THIS PROGRAM IN BOTH  
14 PRIOR FISCAL YEARS.  
15 SO, AT LEAST AS IT RELATES TO  
16 PLAYGROUNDS, WE HAVE NOT HAD A LOSS OF  
17 APPLICATIONS OR A LACK OF APPLICATIONS IN PRIOR  
18 YEARS.

19 MS. GILDART: AND AT THIS FUNDING LEVEL  
20 WE WOULD ANTICIPATE MAYBE 15 TO 20 GRANTS BEING  
21 AWARDED. AND I DON'T SEE THAT WE WOULD WANT TO  
22 BUNCH THOSE UP INTO ONE COMMUNITY TO ANY GREAT  
23 DEGREE.

24 MEMBER EATON: THAT I AGREE WITH. I'M  
25 JUST ASKING, IS IT FAIR, THOUGH, THAT WE JUST

1 DING THEM AT THE BEGINNING, OR IS THERE SOME  
2 OTHER CRITERIA THAT WE CAN USE SO WE DON'T  
3 PENALIZE --

4 MR. CHANDLER: LET ME MAKE SURE I  
5 UNDERSTAND. SO THE CRITERIA IS SUCH THAT IF --  
6 TO USE THE EXAMPLE, THE CITY OF REDDING HAD  
7 ALREADY RECEIVED A GRANT IN ONE OF ITS 12  
8 SCHOOL DISTRICTS, THAT THE CITY OF REDDING, WHO  
9 APPLIED FOR ANOTHER GRANT FOR ANOTHER SCHOOL  
10 DISTRICT, WOULD NOT RECEIVE FULL CREDIT IN ONE  
11 OF YOUR CRITERION BECAUSE THEY HAD -- ONE  
12 SCHOOL DISTRICT IN THEIR COMMUNITY HAD RECEIVED  
13 A PAST GRANT? IS THAT THE IMPLICATION HERE?

14 MS. GILDART: YES. WE DIDN'T WANT TO  
15 KICK THEM OUT ALL TOGETHER. IF WE HAD MADE IT  
16 A QUALIFICATION CRITERION, WHERE ANYONE WHO HAD  
17 APPLIED OR RECEIVED IN THE LAST THREE YEARS, A  
18 GRANT WAS NOT EVEN CONSIDERED THEY WOULD HAVE  
19 JUST BEEN OFF THE LIST.

20 WHAT WE WANTED TO DO WAS KEEP THEM  
21 ON THE LIST BUT HAVE THEM PERHAPS SHOW UP A  
22 LITTLE LOWER THAN OTHERS WHO WERE FIRST-TIME  
23 USERS IF THEY HAD AS GOOD APPLICATIONS IN THE  
24 OTHER CRITERIA.

25 MS. TROGOVCICH: ONE OF THE IMPORTANT

1 THINGS TO NOTE IS THAT THERE'S A NUMBER OF  
2 OTHER CRITERIA, AND ONE OF THEM IS NEED. SO  
3 PERHAPS THAT SECOND SCHOOL DISTRICT IN REDOING  
4 THAT APPLIED, THEY MAY NOT GET THE FULL 10  
5 POINTS BECAUSE ANOTHER ONE HAD RECEIVED A GRANT  
6 IN FISCAL YEAR '96-'97. THEY MAY YET, UNDER  
7 THE NEED CRITERIA OF WHICH THERE'S 20 POINTS  
8 AVAILABLE, BE ABLE TO DEMONSTRATE A NEED SUCH  
9 THAT THEY GET THE FULL 20, AND THAT MAY OFFSET  
10 THE REDUCTION FROM THE 10 UNDER THE PRIOR GRANT  
11 CATEGORY.

12 CHAIRMAN PENNINGTON: WHAT YOU'RE  
13 TRYING TO DO HERE IS SPREAD IT OUT, RIGHT?  
14 THAT'S SORT OF -- I MEAN, IT'S A MARKET  
15 DEVELOPMENT PROGRAM, SO WE'RE TRYING TO GET IT  
16 SPREAD OUT THROUGHOUT THE STATE AND NOT CHANNEL  
17 JUST TO -- AS MR. EATON SUGGESTS -- TO THE  
18 SMART PEOPLE. WE KIND OF WANT TO GET TO --  
19 THOSE WHO ARE NOT QUITE AS CLEVER TO GET  
20 INVOLVED.

21 MR. CHANDLER: WELL, ALTHOUGH THEY'RE  
22 NOT DISQUALIFYING THAT SECOND SCHOOL DISTRICT.

23 CHAIRMAN PENNINGTON: RIGHT, THEY'RE  
24 NOT.

25 MR. CHANDLER: THEY'RE JUST SAYING

1 YOU'RE A LITTLE LESS IN A POSITION TO GET THE  
2 FULL 20 POINTS FOR ONE OUT OF' SEVEN CRITERIA  
3 OR-- I DON'T MEAN CRITERIA, BUT.... SO, THEY  
4 DON'T -- THEY'RE NOT RENDERED INELIGIBLE.

5 MS. GILDART: CORRECT.

6 MR. CHANDLER: OKAY. WELL, THAT'S A  
7 GOOD DISCUSSION FOR YOU ALL TO DECIDE HOW YOU  
8 WANT TO --

9 MEMBER EATON: AND I THINK THE WHOLE  
10 IDEA IS WHEN YOU HAVE THESE MULTI-  
11 JURISDICTIONAL SCHOOL DISTRICTS AND LOCAL  
12 GOVERNMENT, IT'S NOT THEIR FAULT THAT THEY  
13 HAPPEN TO BE GEOGRAPHICALLY LOCATED IN A  
14 CERTAIN AREA. AND BECAUSE YOU HAVE L.A.  
15 UNIFIED THAT'S BEEN, YOU KNOW, EXTREMELY  
16 AGGRESSIVE, FOR INSTANCE, IN ONE ARENA, THAT  
17 YOU THEN EXCLUDE RANCHO PALOS VERDES IN THE  
18 SAME GEOGRAPHICAL AREA. OR, IN SAN DIEGO, IF  
19 YOU HAVE THE JULIAN SCHOOL DISTRICT VERSUS, YOU  
20 KNOW, THE CITY OF SAN DIEGO -- I MEAN, I THINK  
21 THAT THOSE ARE TWO VERY DISTINCT GEOGRAPHICAL  
22 AND GEOPOLITICAL UNITS.  
23 AND I'M VERY -- I WANT TO BE VERY  
24 CAREFUL THAT WE'RE JUST NOT SORT OF TALKING  
25 ABOUT ELIMINATING PEOPLE JUST BECAUSE OF WHERE

1 THEY'RE GEOGRAPHICALLY SITUATED.

2 CHAIRMAN PENNINGTON: I DON'T THINK  
3 THAT -- REALLY, I DON'T THINK --

4 MEMBER EATON: -- BECAUSE THE NEED IS -  
5 - SEE, THE NEED CRITERIA IS SO SUBJECTIVE, THE  
6 CRITERIA WITH REGARD TO WHETHER OR NOT YOU  
7 RECEIVE MONEY THROUGH THE PAST THREE YEARS IS  
8 OBJECTIVE. YOU EITHER HAVE OR YOU HAVEN'T, SO  
9 THAT WOULD AUTOMATICALLY -- RIGHT OFF THE TOP  
10 YOU'RE DINGED.

11 AND THEN SO I THINK YOU CAN MAKE IT  
12 UP, BUT THIS OBJECTIVE NEED IS HARD TO MAKE UP,  
13 LET'S SAY, THE POINTS IN A MORE SUBJECTIVE  
14 CRITERIA THAN IT IS IF IT'S AN OBJECTIVE  
15 CRITERIA THAT YOU MEET.

16 CHAIRMAN PENNINGTON: I APPRECIATE  
17 THAT. BUT I THINK WHAT THEY'RE TRYING TO DO IS  
18 SORT OF LEVEL THE PLAYING FIELD A LITTLE BIT,  
19 YOU KNOW, KIND OF HANDICAP THEM A LITTLE BIT SO  
20 THAT THESE FOLKS THAT EITHER. . . . YOU KNOW,  
21 THERE'S A LOT OF COMMUNITIES WHO LOOK AT L.A.  
22 AND SAY, GEES, THEY GET IT ALL AND WHY EVEN  
23 TRY.

24 MEMBER EATON: I AGREE. BUT THERE'S A  
25 LOT OF SMALLER JURISDICTIONS THAT FIT IN THAT

1 SAME CATEGORY OF LOS ANGELES --

2 CHAIRMAN PENNINGTON: WELL, THIS WOULD  
3 APPLY TO THEM, TOO.

4 MEMBER EATON: EXACTLY. AND THAT'S THE  
5 REAL KEY QUESTION. IS, IS THAT SOMETHING THAT  
6 WE WANT TO ACTUALLY HIGHLIGHT. AND IS IT  
7 REALLY A SITUATION WHEREIN WE HAVEN'T GONE OUT  
8 AND DONE OUR JOB. I MEAN, HOW MANY OF THEM  
9 HAVE FAILED AS -- ARE WE JUST TRYING TO RESTACK  
10 THE ALREADY-EXISTING DECK, OR ARE WE TRYING TO  
11 BRING IN A WHOLE NEW DECK OF CARDS?

12 BECAUSE FROM WHAT I'VE LOOKED AT,  
13 THERE ARE THOSE WHO HAVE MET THE CRITERIA AND  
14 THEY'VE BEEN AWARDED. AND THEN THERE'S A GROUP  
15 THAT ARE JUST -- THAT HAVE JUST MISSED.

16 MS. GILDART: BUT THEY WOULD NOT BE  
17 AFFECTED BY THIS CRITERION. IF THEY HAVE  
18 SUBMITTED AN APPLICATION THAT WAS NOT FUNDED,  
19 THEY WOULD NOT BE DINGED TWICE.

20 MEMBER EATON: RIGHT. THE ISSUE IS,  
21 HAVE WE GONE OUT AND LOOKED AT THE LOCAL  
22 GOVERNMENTS THAT HAVEN'T PARTICIPATED BEFORE  
23 AND PROVIDED THEM THE LOCAL KINDS OF SERVICES  
24 AND ENCOURAGEMENT TO APPLY, VERSUS TRYING TO  
25 SET UP A CRITERIA THAT JUST SAYS, WELL, WE MAY

1 NOT HAVE DONE OUR JOB BY GOING OUT AND LOOKING  
2 FOR CERTAIN LOCAL GOVERNMENTS AND, THEREFORE,  
3 THE WAY TO SOLVE THAT PROBLEM IS TO GIVE THEM A  
4 PREFERENCE.

5 MEMBER JONES: MR. CHAIRMAN?

6 CHAIRMAN PENNINGTON: MEMBER JONES.

7 MEMBER JONES: WOULD IT -- I UNDERSTAND  
8 WHAT MR. EATON'S SAYING.

9 I WOULDN'T REALLY HAVE A PROBLEM  
10 WITH CHANGING THAT PREFERENCE CRITERIA FOR THAT  
11 ITEM 7 DOWN TO 5 POINTS, IF WE TOOK NUMBER 9 TO  
12 15 POINTS, WHICH IS THE COST PER TIRE TO  
13 RECYCLE. IF YOU DON'T WANT TO ELIMINATE THEM,  
14 MAKE SURE THAT THEY'RE SMART ENOUGH TO GET THE  
15 BEST PRICE.  
16 THAT I THINK HELPS MOVE THE MARKET,  
17 AND I THINK IT ELIMINATES THE ABUSE. YOU KNOW  
18 WHAT I MEAN?

19 MEMBER EATON: YEAH.

20 MEMBER JONES: WHICH I THINK MAKES SOME  
21 SENSE.

22 MEMBER EATON: I JUST THINK THAT I  
23 WOULD LIKE TO TAKE ANOTHER LOOK AT THIS FOR THE  
24 NEXT BOARD MEETING, SOME OF THE CRITERIA. I  
25 JUST AM NOT COMFORTABLE VOTING FOR THIS AT THIS

1 TIME. V

2 CHAIRMAN PENNINGTON: OKAY. WE CAN DO

3 THAT IF -- V

4 MEMBER EATON: LET'S HOLD IT OVER --

5 CHAIRMAN PENNINGTON: IF THERE'S NO

6 OBJECTIONS, WE'LL MOVE THIS TO THE 26TH.

7 MEMBER EATON: I HAVE NO MORE QUESTIONS

8 THEN.

9 CHAIRMAN PENNINGTON: THERE'S NO

10 OBJECTION. SO ORDERED.

11 OKAY. I UNDERSTAND THAT THE STAFF

12 HAVE ANSWERS TO THE QUESTIONS THAT WERE ASKED

13 ON AGENDA ITEM NO. 7. IS THAT CORRECT?

14 ARE WE THROUGH WITH YOU?

15 MS. TRGOVCICH: WE'RE ROLLING THIS TO

16 THE 26TH. WE WILL BE PROVIDING A COPY OF THE

17 NOFA TO EACH OF YOUR OFFICES. IT WILL BE OUR

18 HOPE TO BE ABLE TO MOVE THE NOFA OUT PRIOR TO

19 THE AUGUST MEETING, SINCE ALL IT IS IS A VERY

20 MINIMAL DOCUMENT INDICATING A NOTICE OF FUNDS

21 AVAILABILITY, SO THAT WE CAN AT LEAST HAVE

22 LOCAL JURISDICTIONS APPRISED THAT THIS IS AN

23 UPCOMING OPPORTUNITY.

24 MEMBER EATON: I'M DIDN'T HEAR YOU, I'M

25 SORRY, I WAS....

1 MS. TRGOVCICH: WE WILL BE BRINGING  
2 THIS BACK ON THE MEETING -- AT THE MEETING ON  
3 THE 26TH. AND WE WILL PROVIDE EACH OF YOUR  
4 OFFICES IN THE NEXT DAY WITH A COPY OF THE  
5 NOFA. AND OUR HOPE IS TO BE ABLE TO MAIL THAT  
6 NOFA, SINCE IT'S A VERY MINIMAL DOCUMENT,  
7 CONTAINING JUST INFORMATION ON THE AVAILABILITY  
8 OF FUNDS NEXT WEEK, SO THE JURISDICTIONS CAN  
9 BEGIN TO PLAN AND WRITE THOSE APPLICATIONS.

10 CHAIRMAN PENNINGTON: WOULD TUESDAY BE  
11 ALL RIGHT?

12 MS. TRGOCICH: TUESDAY WOULD BE  
13 WONDERFUL.

14 MEMBER EATON: SURE.

15 CHAIRMAN PENNINGTON: OKAY.

16 AGENDA ITEM NO. 7: CONSIDERATION OF STAFF  
17 RECOMMENDATION TO CHANGE THE BASE-YEAR  
18 FROM 1990 TO 1996 FOR THE PREVIOUSLY-APPROVED  
19 SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE  
20 CITY OF SHAFTER, KERN COUNTY - RESUMED

21 MR. SCHIAVO: HI, PAT SCHIAVO OF THE  
22 OFFICE OF LOCAL ASSISTANCE.  
23 WE WENT BACK INTO THE FILES AND  
24 WENT THROUGH A LOT OF DETAILS IN THE STAFF  
25 FILES. AND CATHERINE CARDOZO IS GOING TO

1 EXPLAIN WHY YOU SAW WHAT YOU SAW REGARDING THE  
2 GENERATION GOING DOWN IN THE YEAR 2000.

3 MS. CARDOZO: WELL, BASICALLY THE STAFF  
4 THAT PREPARED THIS --

5 MR. CHANDLER: CATHERINE, I'M SORRY,  
6 COULD YOU REINTRODUCE, AT LEAST FOR THE  
7 TRANSCRIPT, WHAT ITEM THIS IS AND --

8 MS. CARDOZO: THIS IS ITEM NO. 7 --

9 CHAIRMAN PENNINGTON: I DID. ITEM NO.  
10 7.

11 MS. CARDOZO: THE STAFF THAT PREPARED  
12 THIS ORIGINALLY HAD THOUGHT TO NOT EVEN PUT IT  
13 ON CONSENT BECAUSE THEY WANTED IT PRESENTED AS  
14 LIKE A MODEL JURISDICTION, WHAT THEY HAVE DONE  
15 BECAUSE OF 939.  
16 SHAFTER IS A PRETTY SMALL CITY,  
17 IT'S ABOUT 10,000 PEOPLE. AND IN THE SECOND  
18 QUARTER OF 1995, THE SHINGLES COMPANY CAME INTO  
19 TOWN AND STARTED PRODUCING SHINGLES WHICH  
20 REALLY INCREASED THEIR DISPOSAL RATES  
21 ENORMOUSLY, AND THEY REALIZED THERE WAS NO WAY  
22 THEY WERE GOING TO MEET 939 GOALS IF THEY  
23 DIDN'T DO SOMETHING.

24 SO, WHILE THEIR DISPOSAL WENT WAY  
25 UP IN 1995, AND PARTLY IN '96, WHILE THEY WERE

1 DECIDING WHAT THEY'D DO, THEY ESTABLISHED A  
2 RECYCLING FACILITY EXPRESSLY FOR THOSE  
3 SHINGLES. AND SO THEY STARTED DIVERTING A  
4 LARGE QUANTITY OF THAT.  
5 AND THE TONNAGE THAT YOU SEE IN THE  
6 PROJECTIONS FOR THE YEAR 2000 ARE A  
7 CONSERVATIVE AMOUNT THAT THEY'RE PROJECTING, SO  
8 THEY DIDN'T TRY TO BALANCE IT ALL OUT. AND IT  
9 PROBABLY WOULD BE, FOR THE YEAR 2000, THAT  
10 DIVERSION IS PROBABLY A LOT HIGHER. THAT THEY  
11 JUST STUCK IT AT THAT ONE AND WENT ALL THE WAY  
12 THROUGH 2662 FOR THE NEXT 10 YEARS OR SO.  
13 50, THE PROJECTIONS ARE A  
14 PROJECTION. IT'S NOT ANYTHING THAT THEY'RE  
15 STUCK TO. IT'S THE BASE YEAR THAT WE'RE REALLY  
16 LOOKING AT, 1996. AND THESE WERE NUMBERS --  
17 THE 31,578 YOU SEE FOR DISPOSAL IS THE NUMBER  
18 WE HAVE IN OUR DISPOSAL REPORTING SYSTEM FOR  
19 THEM, AND THE 10,313 IS WHAT THEY CALCULATED  
20 FOR DIVERSION.  
21 AND THIS FACILITY WASN'T ON LINE  
22 THE WHOLE TIME, SO -- AND MOST OF THAT  
23 DIVERSION IS FROM THIS FACILITY, SO THAT 21 IS  
24 A VERY CONSERVATIVE AMOUNT.  
25 MEMBER JONES: YEAH, I DON'T HAVE A

1 PROBLEM WITH THAT PART OF IT. IT'S THAT THE  
2 TOTAL WASTE GENERATION WENT DOWN.

3 MS. CARDOZO: YEAH. AND THEY SHOULD  
4 HAVE -- THE DIVERSION, THEY SHOULD HAVE  
5 PROJECTED THAT UP ANOTHER 10,000 SO IT WOULD BE  
6 COMMISERATE, LIKE YOU SAID, BUT THEY WERE BEING  
7 MORE CONSERVATIVE.

8 MEMBER JONES: -- BUT IT'S STILL A  
9 GENERATED WASTE IRREGARDLESS (SIC)

10 MS. CARDOZO: YES.

11 MEMBER JONES: IF IT LEAVES AND IT GOES  
12 THROUGH A RECYCLING FACILITY, IT IS STILL A  
13 GENERATED WASTE.

14 MS. CARDOZO: RIGHT. THEY SHOULD  
15 PROJECT --

16 MEMBER JONES: SO I GUESS WHAT MY  
17 QUESTION IS, HOW DO YOU GO FROM 43,000 TONS OF  
18 GENERATED MATERIAL TO --

19 MS. CARDOZO: YOU DON'T. THEY SHOULD  
20 HAVE, IN THEIR PROJECTION, SAID THAT WE WOULD  
21 ACTUALLY HAVE LIKED 30 OR WHATEVER, INSTEAD OF  
22 21. THEY JUST STRAIGHT-LINED IT ALL THE WAY  
23 THROUGH, SAYING THEY ALREADY HIT 50 WHAT'S THE  
24 POINT OF SAYING WE'LL DO EVEN MORE, LIKE 70 AND  
25 80. THEY JUST LEFT IT AT THAT.

1           MR. SCHIAVO: THE CALCULATION FOR  
2 DETERMINING WHETHER THEY MEET THE GOAL OR NOT,  
3 IT'S BASED ON THE BASE YEAR IN 1996. THE YEAR  
4 2000 IS JUST A PROJECTION. AND, AGAIN, THEY  
5 WERE JUST BEING -- THEY COULD HAVE PROJECTED IT  
6 OUT TO BE 30-SOMETHING THOUSAND, BUT THEY JUST  
7 FLAT-LINED THE 21,666 THROUGH THE YEARS. IT  
8 DOESN'T HAVE ANY IRREPARABLE DAMAGE FOR  
9 DETERMINING WHETHER OR NOT THEY MEET THE GOAL.  
10 THEY JUST THOUGHT WE'LL JUST FLAT-LINE IT.  
11 BUT WHAT REALLY MATTERS TO US IS  
12 THE 1996 BASE-YEAR IN DETERMINING WHETHER OR  
13 NOT THEY MEET THE GOAL IN 2000. I MEAN, WE  
14 COULD HAVE THEM GO BACK AND PROJECT THAT OUT.  
15 BUT, AGAIN, IT WOULDN'T HAVE A LOT OF RELEVANCE  
16 AS FAR AS THEM MEETING THE GOAL OR NOT.

17           MEMBER JONES: OKAY. I DON'T HAVE A  
18 PROBLEM WITH --

19           MS. CARDOZO: I CAN TELL YOU THAT FOR  
20 1997, BASED ON THE '96, THEIR GENERATION IS  
21 ACTUALLY 48,000.

22           MEMBER JONES: THAT'S WHAT I MEAN.  
23 THAT'S WHAT MY POINT WAS.

24           MS. CARDOZO: SO, THIS IS REALLY A  
25 STRANGE NUMBER THAT THEY SUBMITTED. YES.

1 MEMBER JONES: BECAUSE THEY ARE  
2 MANDATED DIVERSION, IT'S GOING TO BE BASED OFF  
3 OF GENERATION. RIGHT? IT IS A COMBINATION OF  
4 DISPOSAL SUBTRACTED FROM GENERATION GIVES YOU  
5 DIVERSION.

6 MR. SCHIAVO: RIGHT.

7 MS. CARDOZO: RIGHT.

8 MEMBER JONES: IF THE NUMBER IS 33 --  
9 MY ISSUE WAS, IF WE APPROVE THAT, ARE WE  
10 APPROVING A NUMBER THAT IS ERRONEOUS. AND  
11 THAT'S ALL I WANTED TO MAKE SURE --

12 MS. CARDOZO: REALLY WHAT YOU WERE  
13 APPROVING IS THE BASE YEAR NUMBER.

14 MEMBER JONES: OKAY.

15 MS. CARDOZO: THAT'S WHAT THEY'LL BE  
16 HELD TO IN THE FUTURE WHEN THEY MEASURE '97,  
17 '98, '99, IS THE '96 NUMBER.

18 MR. SCHIAVO: YEAH.

19 CHAIRMAN PENNINGTON: OKAY. ARE YOU  
20 COMFORTABLE WITH THAT?

21 MEMBER JONES: SURE.

22 CHAIRMAN PENNINGTON: WELL, I'LL  
23 ENTERTAIN A MOTION.

24 MEMBER JONES: I DON'T HAVE MY SHEET OF  
25 PAPER.

1 MEMBER FRAZEE: MR. CHAIRMAN, I'LL MOVE

2 ADOPTION OF RESOLUTION OF 98-277.

3 MEMBER JONES: I'LL SECOND.

4 CHAIRMAN PENNINGTON: OKAY. IT'S BEEN

5 MOVED AND SECONDED.

6 IF THERE'S ANY FURTHER DISCUSSION?

7 IF NOT, WILL THE SECRETARY CALL THE ROLL?

8 THE SECRETARY: MEMBERS EATON?

9 MEMBER EATON: AYE.

10 THE SECRETARY: FRAZEE?

11 MEMBER FRAZEE: AYE.

12 THE SECRETARY: JONES?

13 MEMBER JONES: AYE.

14 THE SECRETARY: CHAIRMAN PENNINGTON?

15 CHAIRMAN PENNINGTON: AYE.

16 MOTION CARRIES.

17 BEFORE I ADJOURN THE MEETING, THERE

18 WILL BE A CLOSED SESSION AT 1:30, MONDAY,

19 AUGUST 24TH, ON LITIGATION. THAT'S HALF AN

20 HOUR PRIOR TO THE SPECIAL BOARD MEETING ON THE

21 24TH. AND WITH THAT --

22 MEMBER JONES: DO WE HAVE PUBLIC

23 COMMENT IN CASE --

24 CHAIRMAN PENNINGTON: NOW WE HAVE OPEN

25 DISCUSSION. IS THERE ANYTHING ANYBODY FROM THE

1 AUDIENCE WISHES TO BRING FORWARD?

2

3 OPEN DISCUSSION

4 MEMBER EATON: I HAVE AN ITEM THAT I  
5 WOULD LIKE TO JUST KIND OF BRING FORWARD JUST  
6 FOR AN OPEN DISCUSSION.

7 I THINK IT'S BEEN -- I BELIEVE, IF  
8 I'M NOT MISTAKEN, ON AUGUST 30TH OR 31ST OF  
9 THIS MONTH, ABOUT FIVE OR SIX DAYS AFTER OUR  
10 NEXT BOARD MEETING, IT WILL HAVE BEEN 60 DAYS  
11 SINCE THE RPPC PACKET WAS SENT OUT. AND I  
12 WOULD APPRECIATE AT LEAST, NOT AN AGENDA ITEM,  
13 BUT PERHAPS AN UPDATE EITHER AT MAYBE THE  
14 AUGUST, OR PROBABLY THE 1ST OF SEPTEMBER --

15 CHAIRMAN PENNINGTON: THE 1ST OF  
16 SEPTEMBER MEETING.

17 MEMBER EATON: -- JUST -- THE 1ST OF  
18 SEPTEMBER MEETING, JUST KIND OF AS AN UPDATE AS  
19 TO WHERE WE ARE, WHO'S RESPONDED, ANY PROBLEMS  
20 WE'VE HAD, QUESTIONS OR WHATEVER, SO WE CAN  
21 GIVE PROPER DIRECTION TO EITHER THE STAFF  
22 AND/OR OTHERS JUST KIND OF AS AN UPDATE. I  
23 THINK THAT WE SHOULDN'T LOSE TRACK OF THOSE  
24 DATES.

25 CHAIRMAN PENNINGTON: OKAY. YOU'LL

1 MAKE SURE THAT'S AGENDIZED, MR. CHANDLER:

2 MR. CHANDLER: YES, I WILL MAKE SURE WE

3 GET A BRIEFING.

4 MEMBER EATON: AN UPDATE. MR.

5 CHANDLER: AN UPDATE I THINK. THANK YOU.

6 CHAIRMAN PENNINGTON: NO OTHER ITEMS TO

7 COME BEFORE THE BOARD? WE'RE ADJOURNED.

8 (WHEREUPON, THESE PROCEEDINGS WERE

9 CONCLUDED AT 3:20 O'CLOCK P.M.)

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1 STATE OF CALIFORNIA )

2 COUNTY OF MARIN )

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6 I, CYNTHIA L. HALL, a Certified Shorthand

7 Reporter, do hereby certify;

8 That the proceeding was reported by me

9 and was thereafter transcribed by computer

10 under my direction into typewriting.

11 I further certify that I am not of counsel

12 or attorney for either or any of the parties in

13 the foregoing proceeding and caption named, nor

14 in any way interested in the outcome of the

15 cause named in said caption.

16

17 Executed September 15, 1998, at San Rafael,

18 California.

19



CYNTHIA L. HALL

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CERT nO 10064

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