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MEETING
STATE OF CALIFORNIA
CALIFORNIA WASTE MANAGEMENT BOARD

COPY

RIVER CITY BANK BUILDING
1020 NINTH STREET
SUITE 300
SACRAMENTO, CALIFORNIA

THURSDAY, JUNE 9, 1988
10:00 A.M.

Eileen Jennings, C.S.R.
License No. 5122

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BOARD MEMBERS PRESENT

- Mr. Sherman E. Roodzant, Chairman
- Mr. John P. Moscone, Vice-Chairman
- Mr. Phillip A. Beautrow
- Ms. Ginger Bremberg
- Mr. John E. Gallagher
- Mr. E. L. "Skeet" Varner

BOARD MEMBERS ABSENT

- Mr. Sam Arakalian
- Mr. Les Brown
- Mr. James W. Calloway

STAFF PRESENT

- Mr. George T. Eowan, Chief Executive Officer
- Mr. Herbert Iwahiro, Chief Deputy Executive Officer
- Mr. Alan A. Oldall, Deputy Executive Officer
- Ms. Jo-Ellen Jackson, Director of Legislation and Public Affairs
- Mr. Robert F. Conneim, General Counsel
- Mr. George Larson, Manager of Planning and Resource Conservation and Development Divisions
- Mr. Cy Armstrong, Local Planning Division
- Ms. Pam Badger, Enforcement Division
- Mr. Don Dier, Standards and Regulations Division
- Mr. Brian Foran, Resource Conservation Division
- Mr. Roger Formanek, Standards and Regulations Division

STAFF PRESENT (Continued)

Mr. Mike Leason, Local Planning Division

Mr. Bill Orr, Standards and Regulations Division

Mr. John Smith, Local Planning Division

Ms. Caren Trgovcich, Enforcement Division

Ms. Connie Dunn, Board Secretary

Ms. Kay Wilson, Secretary

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1 the Resource Conservation Division, and he will be providing
2 some background information and introducing our speakers.

3 MR. LARSON: Good morning, Mr. Chairman, members.
4 George Larson, Resource Conservation Division, on a
5 presentation on the report of the co-compost product
6 technology item.

7 For the Board's background information, as they may
8 recall in 1987 the Legislature enacted Senate Bill 1515,
9 authored by Senator Craven. This bill would provide for a
10 procurement preference for co-compost materials as defined in
11 the bill if the material, once tested, met certain
12 specifications for other materials currently in use in the
13 state of California by state and local agencies such as
14 compost, fertilizer, and soil amendments.

15 Board staff has conducted a survey of state agencies
16 that utilizes the materials identified in SB 1515 and found
17 what we have described as two categories of agencies; one
18 entitled user agencies, the other would be regulatory
19 agencies.

20 The users would be those agencies that would most
21 likely use the co-compost materials, such as Caltrans for
22 sound barriers or retaining walls along freeways, or soil
23 amendments for agencies like Parks and Rec.

24 The other agencies, the regulatory agencies, are
25 those that might be interested in any environmental or public

1 health impacts of the use of co-compost. That would be
2 Department of Health Services and State Water Resources
3 Control Board and the respective regional boards throughout
4 the state.

5 We have met on several occasions with these state
6 agencies, most recently yesterday, and, as the bill
7 specifies, a private contractor that is under contract to the
8 City of Los Angeles will provide the materials for this test
9 process and also provide the funding mechanism necessary to
10 complete the testing by all state agencies.

11 This firm -- there is a firm, as referred to in the
12 Agenda Item 1, the California Co-Compost Systems,
13 Incorporated. Mr. Joaquin Acosta is here to represent that
14 CCSI, as we have referred to it, and to give a background on
15 the progress or the history of this co-compost material.

16 He also will introduce Dr. Bernhard Raninger from
17 S.A.B., Salzburg Austria, the European company responsible
18 for developing the process of co-composting.

19 So I'd like to introduce Mr. Joaquin Acosta.

20 MR. ACOSTA: Thanks, George, members of the Board,
21 Mr. Chairman. Good morning.

22 CHAIRMAN ROODZANT: Good morning, Mr. Acosta.

23 MR. ACOSTA: As the Board members know, you have
24 heard from us in the past as we've gone through the
25 developmental stage. Fortunately, as I informed Mr. Moscone

1 on the elevator, my remarks will be brief. However, please
2 allow me a few seconds to give you some background.

3 The point at which we are today with this
4 implementation of Senator Craven's bill, which was actually
5 the implementation of the earlier Senator Campbell bill,
6 passed in '84, is that as we progress with the user
7 departments and regulatory agencies to determine what
8 applicable regulations do apply, what new regulations should
9 apply to present to users, not only the State of California,
10 but, as the industry grows, private agencies, private
11 companies, local government, non-toxic and non-polluting end
12 products.

13 The whole issue before you this morning is a
14 definition of what the end products are. We're not here to
15 show you what plants should be built or how it should be
16 built. We're not here to foster the licensing relationship
17 with CCSI, although that is my subtle backdrop. But we're
18 really basically here, we think, as a cutting leadership edge
19 to talk to you about what these products are. These are not
20 sludge-derived products. This is MSW, a combination of
21 sludge with four to one.

22 When we looked initially throughout the United
23 States and the world for the best option of understanding
24 this product use, we discovered some very skilled biologists
25 and scientists in Salzburg. Not only is it a delightful

1 city, as most of us know, but in this case it has one of the
2 leading research and development units in this field.

3 Europeans have been doing this process for over 30
4 years. They've been utilizing the combinations of MSW and
5 sludge for over 30 years, and some Europeans have
6 successfully created regulations to control, inspect and
7 maintain the quality assurance levels that produce the
8 products that we need to produce in California.

9 So as we move through the State of California,
10 knowing full well that there are new numbers of non-burn
11 plants being considered by various cities such as Los
12 Angeles, San Diego, cities in San Bernardino, parts of Contra
13 Costa County and other parts; as well as those cities now
14 negotiating such as Los Angeles City; Hollywood, Florida;
15 Portland, Oregon; and soon Hennepin County; and Springfield,
16 Missouri; there's a new industry emerging here and we'd like
17 you to be assured that the products produced by these types
18 of plants in California will do nothing except upgrade and
19 reduce the costs of state purchases. Because if the products
20 are tested and certified, the state will purchase these, and
21 it will be cost-effective for the departments and certainly
22 cost effective for local government. That's the
23 relationship.

24 We have given you a primer, if you will, which we're
25 going to leave with you. You have in front of you a document

1 called Supporting Information. That's divided into two
2 parts. The first part of the white paper represents the
3 backdrop and some of the scientific data that Dr. Raninger
4 and his colleagues have put together over the course of ten
5 years in the institutes in Vienna, Stuttgart, other parts of
6 the Western European nations; as well as procedural steps and
7 tests applied to us by various departments in the second and
8 third section of the book.

9 We hope you find that wonderful reading. It's a
10 little voluminous, but we give it to you as a documentation
11 for what you're hearing this morning.

12 We will start off with a very brief video
13 presentation on the process and the facilities. We will
14 segue then immediately into the slides that deal with Dr.
15 Raninger's presentation on product use.

16 At this point, if everybody's settled, we'll turn
17 off the lights and we'll give you a 12-minute video and then
18 the presentation on the actual product application uses.

19 (Thereupon the video presentation was shown.)

20 MR. ACOSTA: If I could ask you to look at page 2 of
21 your cover letter, ladies and gentlemen. It will give you
22 some guidance as Dr. Raninger goes through his product
23 applications. We are looking on those categories at some 14
24 items that deal with direct use of lawns, potting soils,
25 ornamental plants, et cetera.

1 (Thereupon a short discussion was held off the
2 record.)

3 MR. ACOSTA: Anyway, you can see it's
4 self-explanatory. We have in the second paragraph there's
5 six areas of direct state use that deal with reforestation,
6 recultivation, erosion control, levee wall, sound repairs, et
7 cetera, and then the other uses which they have been using in
8 Europe.

9 I call to your attention, also, two examples to your
10 immediate right of the development and construction of a mile
11 wall on an autobahn outside of Salzburg made entirely of the
12 inert and non-toxic product. There is a graphic that gives
13 you an idea of what the plants look like. They are, of
14 course, fully enclosed in California -- they will be -- as a
15 public perception and environmental control issue.

16 I call to your attention on your left some graphs
17 that describe what the flow charts look like as the process
18 moves through a plant. There are many configurations to the
19 mechanical arrangement of the equipment, and this is just
20 one.

21 At this point I'm going to ask Dr. Raninger to begin
22 his presentation, which will be the slides dealing with
23 product applications.

24 Dr. Raninger.

25 DR. RANINGER: Mr. Chairman, members of the Board,

1 ladies and gentlemen. First, I must say that I'm very
2 impressed to be here. It's a big honor for me to be here to
3 come to Sacramento to speak to this Waste Management Board.

4 I must beg you to apologize. My English is not as
5 good as needed. But together with the slides, I hope to give
6 you a good view to compost application and how a co-compost
7 recycling plant is running in Austria.

8 I am the plant manager now of this plant. I since
9 working there ten, eleven years. First, I had to lead the
10 laboratory and the research. And so we have a lot of work
11 done in the last years and now I want to give you a view of
12 all this work.

13 Please, if you'll start with the slides.

14 ---oOo---

15 The co-composting plant in Salzburg is located about
16 eight miles north of the City of Salzburg. You see it here
17 in the middle.

18 ---oOo---

19 I make it very short. Here are some technical
20 slides of our plant.

21 It is located together with a waste water treatment
22 plant and with a landfill and a hazardous waste collection
23 station. About 95 communities are compounded in this
24 organization, and we get the waste of this 95 communities
25 around the City of Salzburg.

1 are going to the landfill now. We are looking forward to
2 have an incineration plant for this screening overflow
3 fraction.

4 --oOo--

5 The ferrous fractions is going to the steel
6 industry, and then we have a separation of 4.5 percent also
7 going to the landfill. So about 30 percent of the incoming
8 waste is going to the landfill, 30 percent are recycling
9 material, and the rest is evaporation, is material lost
10 during the process.

11 --oOo--

12 Here's some slides of the treatment plant. That's a
13 grab crane.

14 --oOo--

15 The hammer mills.

16 --oOo--

17 The hammer mills shredder the waste. The ferrous
18 metals are going out.

19 --oOo--

20 Here's either the beginning of the fermentation
21 tram.

22 --oOo--

23 We have three of these. Each of these trams has the
24 capacity of about 220 tons. So there are 660 tons running
25 all the time.

1 which has a quality like top soil to have a good application.

2 --oOo--

3 One of the applications is to produce potting soil
4 materials mixed with other materials like top soil, like peat
5 moss, fertilizer and so on.

6 --oOo--

7 Here's some views of this plant.

8 --oOo--

9 The compost looks like this.

10 --oOo--

11 --oOo--

12 In Austria --

13 --oOo--

14 -- we have three standards.

15 --oOo--

16 First standard is called S2022. Quality
17 requirements for co-compost material, about 40 parameters we
18 must acquire to get this sign. The other one is how to test
19 the material as a laboratory testing procedure. And the
20 third one is how to applicate the compost in all areas --
21 farmland, technical applications like fire filter,
22 recultivation and so on. All the application methods,
23 application possibilities you will see in the next slides.

24 --oOo--

25 We have done a lot of testing programs. Here, for

1 example, you will see the results of the next slides. We had
2 a lot of different kind of top soil material mixed with
3 compost and all the biomass production has been measured.

4 --oOo--

5 The heavy metal pick-up has been measured and so on.
6 You see nature gave us a good answer to these questions in
7 the debating. On the different kinds of top soil you get
8 different results.

9 --oOo--

10 Here, very short, on the left, radish. You
11 understand radish? K is 100 percent compost, B is 100
12 percent top soil material like it's, you know, a farmland.
13 KB is one part compost and one part top soil material. T is
14 top soil with a low pH and peat moss top soil with only a few
15 nutrients in it. And KT, the mixture of this material with
16 compost one to one. You'll see the big difference is in
17 biomass production.

18 --oOo--

19 Here you have the same results in a flow sheet.

20 --oOo--

21 Compost application is done like this in Austria
22 here on a crop field.

23 --oOo--

24 You also -- an example for compost application in
25 farmland. Here about 40 to 80 tons per acre are applicated.

1 Another typical kind of application is in the
2 private towns to make a lawn. Here after two weeks you have
3 a good result if you use this compost substrate in the
4 garden.

5 --oOo--

6 Here we have an example for forestry. A special
7 case of forestry. These trees are growing three years on a
8 big compost pile, a pile about two meters high. They're
9 growing in 100 percent compost material and you see the
10 effect.

11 --oOo--

12 Here is the same trees on this compost pile.

13 --oOo--

14 Another typical application of compost is near
15 rivers to re-green the river banks. Here we have a lot of
16 water in Austria. We have summer storms, we have a lot of
17 water after the storm, after the spring and so on. All the
18 substrate, all the top soil is washed away and in all these
19 cases we have the problems of erosion.

20 Compost has a very good -- it does a very good job,
21 because it has a good grain size and is not washed out from
22 water or weight.

23 --oOo--

24 This is another picture of this here of the same
25 problems in the mountains in the area of recultivation of

1 stream slopes, co-compost in the mountains on a rocky area.

2 --oOo--

3 A lot of times. Later no weight and no water can
4 erode this material, depending on the requirement of the
5 quality of this material.

6 --oOo--

7 Compost is used to produce potting soil materials.
8 It's used from the gardens and greenhouses.

9 --oOo--

10 All the roses like compost. They like the high
11 content of organic material and the high content of nitrogen
12 and the other nutrients are inside

13 --oOo--

14 Roses in glass house.

15 --oOo--

16 An example for pelargonium. You have much bigger
17 ones and beautiful ones in California. I know that. These
18 are young plants growing on compost substrate.

19 --oOo--

20 Here's salads in greenhouses.

21 --oOo--

22 --oOo--

23 Here is the comparison of young plants, the middle
24 compost material above the typical materials used, upon peat
25 moss material, the standard material we have.

1 --oOo--

2 We did a lot of testings in case of leachates. We
3 applied compost in these boxes and the leachate is caught
4 up in boxes below and then we look at all the chemicals that
5 are inside.

6 --oOo--

7 This is a standard method to test co-compost before
8 you can get the sign. In Austria it's developed by public
9 research and testing institutes

10 --oOo--

11 This test after two weeks.

12 --oOo--

13 Another test.

14 --oOo--

15 Here another type of testing the co-compost
16 materials in scientific institutes. Also done in Salzburg.

17 --oOo--

18 Here's an example for regreening also a river bank.
19 A lot of miles are regreened along the sides in Salzburg.

20 --oOo--

21 You'll see the first step. About two to five
22 centimeters -- about like this -- are applied, and you
23 have a good possibility for regreen or reforest this areas
24 where erosion is very high.

25 --oOo--

1 You'll see two or three weeks later.

2 --oOo--

3 On the side of the streets here we also need to use
4 the compost, because the lawn, the grass, has very good roots
5 and the material keeps there.

6 --oOo--

7 This is to --

8 --oOo--

9 Also building up golf courses, sports places
10 football places and so on we applicate the compost.

11 --oOo--

12 And new testing and new results says 25 percent of
13 compost mixed with sand and mixed with top soil give the best
14 results, because we have the high water capacity and high
15 water transmission.

16 --oOo--

17 Now, the technical applications of compost. We have
18 a lot of biofilters in Austria and this biofilters air with a
19 lot of organic materials. It's clean, yes.

20 --oOo--

21 It's a biological system to clean bad-smelling air
22 loaded with organic substances. This organic substances are
23 kept humid, yes, and the biology in the material decrease all
24 this organic substances. So we have a long residence time of
25 this material in this biofilters. Here's some types of this

1 biofilters.

2 --oOo--

3 You see here we produce a bigger grain size. Like I
4 said, we have a lot of different types of materials.

5 --oOo--

6 --oOo--

7 And now some pictures to the noise walls. Here a
8 concrete system filled up with compost. You see plants in it
9 and other kinds of noise wall -- type of noise wall.

10 --oOo--

11 In the noise wall you must look at the noise
12 absorption. It's very important that the noise is coming to
13 the wall, will be absorbed and not reflected. This is the
14 main reason we have this noise wall in Austria, so you don't
15 carry the noise to the other side of the street. This is the
16 picture you see on the wall under construction on the highway
17 in Salzburg.

18 --oOo--

19 Here is the same wall two seasons later. In
20 Salzburg we have the problems with the salt in winter with
21 the high snow level in winter. So it's very, very hard to
22 regreen -- to keep them green. But you see that it looks
23 nice.

24 --oOo--

25 --oOo--

1 Here's some pictures from noise walls on the highway
2 near Salzburg.

3 --oOo--

4 Another example is for noise barriers in the private
5 area up on a concrete wall.

6 --oOo--

7 Behind the private garden before you have a
8 crossing, a street crossing.

9 --oOo--

10 Here near a petro station, a service station.

11 --oOo--

12 Another one also in the -- near a lot of traffic of
13 a street crossing.

14 --oOo--

15 --oOo--

16 --oOo--

17 --oOo--

18 --oOo--

19 Here are pictures from the technical tests we did
20 with the noise barrier. We must test the wind pressure and a
21 lot of other technical things I must find out to build up
22 this wall and to have a system which stays about 15 to 20
23 years in Austria.

24 --oOo--

25 --oOo--

1 With did a lot of noise measurements. Here the
2 noise absorption is measured in a laboratory in Vienna. We
3 simulated this wall in a noise room, in a special room.

4 --oOo--

5 And this wall, you can see the number above, greater
6 nine dBA is the noise absorption. So we can call this wall
7 100 percent full absorbing noise barrier.

8 Here you see a comparison with a pile with a berm.
9 You need not so much space and the effect is near -- is the
10 same, yes. We reduce the noise from 75 dBA to 45 dBA.

11 --oOo--

12 Here is another example for noise wall in Germany
13 before regreening and --

14 --oOo--

15 -- one year later.

16 I think this was the last picture. I say thank you.
17 And if you have some questions, I will ask to you. Thank
18 you.

19 CHAIRMAN ROODZANT: Mr. Moscone.

20 VICE CHAIRMAN MOSCONE: Doctor, I must have missed
21 it in your flow chart. At what point is the sewage sludge
22 introduced with the solid waste?

23 DR. RANINGER: The sewage sludge is applicated
24 during the process at the beginning of the process. We can
25 do it in two ways. We applicate into the trams in Salzburg

1 and we have -- there are mixing drums in the system. And
2 this you have on the wall for Los Angeles.

3 VICE CHAIRMAN MOSCONE: So, of course, it's after
4 all of the grinding and all of the extraction of the metals
5 and all the bad things.

6 DR. RANINGER: We look very intensive to the quality
7 of this sludge, yes. But there are two things. If you have
8 sludge with a lot of heavy metals and poison materials
9 inside, it's not a question to run the plant, to run the
10 process, it's a question of application.

11 But we look and we don't have heavy metals and other
12 organic pesticides and so on in the sludge in Austria, so we
13 have no problem to applicate.

14 VICE CHAIRMAN MOSCONE: What moisture content?

15 DR. RANINGER: We can work with different moisture
16 contents. We have one time a liquid sludge, which is
17 applicated for pumps with three percent moisture content.
18 And otherwise we have a thick sludge with a moisture content
19 of 20 percent.

20 There are also pumps and we pump this sludge into
21 the fermentation plants.

22 VICE CHAIRMAN MOSCONE: Thank you.

23 MR. ACOSTA: Mr. Moscone, if I may add a
24 clarification to that.

25 You're not supposed to think this is a cup of

1 coffee, but it looks pretty much like some fine grain coffee.
2 It's an example of one of the 14 products that are produced
3 that you've seen on the screen. You may want to look at it
4 and if so -- you may want to smell it. If so, I suggest you
5 carefully open the top. It does not smell and, of course,
6 there's nothing --

7 VICE CHAIRMAN MOSCONE: I've heard that before.

8 MR. ACOSTA: Remember the last time we smelled it,
9 Mr. Moscone?

10 The amplification I wanted to make was in the City
11 of Los Angeles project, as well as all projects we design and
12 construct, the question regarding the introduction of the
13 sewage sludge, the analysis of the Hyperion treatment plant
14 is that there is a particular metal cadmium with extensive
15 amounts of cadmium which are suspect.

16 As we look at any analysis, whether it would be from
17 the City of Pomona, Long Beach, Glendale, Los Angeles,
18 wherever, unless the science allows that level, unless those
19 levels are within EPA's tolerances, we will not use the
20 sludge.

21 However, in the City of Los Angeles we have two
22 other perspectives which we are contracting and in the
23 negotiation process now that we will remove all the heavy
24 metals, all the lead, all the zinc, all the cadmium and all
25 the mercury and whatever other metals are offensive to the

1 system.

2 VICE CHAIRMAN MOSCONE: I'm concerned thinking from
3 the beginning. You expect any problem trying to site any of
4 these plants?

5 MR. ACOSTA: There's never been a waste management
6 facility in California that hasn't had a problem except
7 Modesto.

8 We've resolved that problem, Mr. Moscone. And, yes,
9 the sites will be approved and will be supported and are in
10 such locations that there will be no community negative
11 reaction.

12 Now, that's a lot of optimism, but there's a
13 five-year experience here, having gone through one EIR
14 already in the location of a central urban location. That's
15 no longer in effect and we have a new site, and I'll let the
16 city define that at their public hearing.

17 BOARD MEMBER VARNER: Mr. Chairman.

18 MR. ACOSTA: Mr. Varner.

19 BOARD MEMBER VARNER: One thing that probably was
20 answered, but how long does it take to mature this process
21 from the time you get a load in, we'll say? What's the
22 length of time before it takes to get that process completed
23 through its complete fermentation and so forth?

24 DR. RANINGER: The question, it depends a little bit
25 on the technology. The process, at least in Austria, the

1 land you have seen, six to eight months, depending on the
2 season we have. Then we have a ripe compost material which
3 can be used.

4 BOARD MEMBER VARNER: Well, the thing that I can't
5 quite get in my mind, let's say you have something like the
6 City of Los Angeles that's got 100,000 tons a day, you know,
7 and it takes you six months, you know.

8 MR. ACOSTA: Mr. Varner, it's confusing. Because
9 you can't anticipate a pile of trash that amount coming in
10 and going out in an expeditious and orderly way, the
11 marketplace having been defined and the available marketplace
12 being specifically organized in two-month, four-month, eight
13 kind of schedules.

14 This contract, incidentally, is a 221 to 264,000 ton
15 MSW. That's one-fourth of the city's total 1.3 -- city
16 selected trash. What comes out of that will be guaranteed
17 tonnages, 88,000, 115,000, 39,000, depending on the product
18 line.

19 The markets are already in place once the
20 certification is completed. The levee walls are in constant
21 need of daily repair. Construction walls on freeways are
22 being built every day. The forestry has fires which have to
23 be repaired throughout the entire year.

24 There's no deficit of marketing other than just
25 dealing with the paper remarketing and recycling things that

1 are traditionally like paper, glass and stone and aluminum
2 and those kinds of things.

3 This market's here. That's why we passed those two
4 bills in the Legislature and that's why we think the Governor
5 signed them. So in that case it moves -- believe me, it
6 moves in and it moves out. So at the end of that maturation
7 period, whether it's a three-month or a four-month or a
8 six-month cycle, the density reduction is so extensive -- you
9 heard his percentages in Europe -- and the residual is so
10 negligible -- in ours it's 15 to 25 percent in Los Angeles.
11 That's it, 15 to 25 percent. The rest of it goes immediately
12 to state. So there will be no overload, no storage, no odor
13 problems, no pollution problems and no market problems.

14 I say that today. The certification process will
15 answer that question tomorrow.

16 BOARD MEMBER VARNER: Okay. I just was thinking of
17 the tremendous volume of material and where you're gonna put
18 it all in this six-month period.

19 MR. ACOSTA: Well, it's reduced, it's evaporated,
20 it's recycled, and it's marketed, and it all happens in an
21 orderly year.

22 So in the financials that are set up between the
23 city and the contractor, there's absolutely no opportunity to
24 store material or to leave it outside. It's within the
25 contained structures. The structures are all designed to

1 meet the amount of capacity.

2 VICE CHAIRMAN MOSCONE: Mr. Chairman.

3 CHAIRMAN ROODZANT: Mr. Moscone.

4 VICE CHAIRMAN MOSCONE: Mr. Acosta, I've seen a
5 number of composting plants, both in the United States and in
6 Europe, and I'm thinking about some of these plants that we
7 visited and they wound up with -- they had the -- I forget
8 which method it was.

9 MR. ACOSTA: Windrow.

10 VICE CHAIRMAN MOSCONE: The windrow, plus inside --
11 not exactly --

12 Anyhow, as we were looking at these piles of
13 finished compost and all and there were truck and trailer
14 loads going out and all, looked like beautiful stuff and
15 everything, and we asked the people from the plant, where is
16 that stuff going? Oh, it's going to the golf courses here
17 and there and everywhere.

18 So a couple of us went up to the drivers and asked,
19 where you going with this stuff? To the dump.

20 I hope this doesn't happen.

21 MR. ACOSTA: It can't happen in these projects,
22 because the contracts are guaranteed on the basis of revenue
23 returns, and we have absolute prohibitions in the contract
24 for more than the stated percentage in the landfills. They
25 cannot go to the dump.

1 VICE CHAIRMAN MOSCONE: I think you're putting it to
2 more uses than that that I had seen.

3 MR. ACOSTA: Mr. Moscone, there are no uses in
4 California other than the state purchases and the state
5 needs. There are no co-compost material histories here.

6 So if you use sewage sludge or you don't use sewage
7 sludge, but you always use MSW, source separated or
8 non-source separated, this is an immediate cost savings to
9 the State of California in at least 22 departments.

10 VICE CHAIRMAN MOSCONE: Well, I hope you don't run
11 into the experience that we run into. In San Francisco, for
12 example, we're trying -- we're almost pushed into going into
13 a compost -- the Westinghouse method and all.

14 Of course, they only wanted 100 ton a day, which
15 didn't mean very much to San Francisco. But in the process
16 we had to make a market study as to how we could dispose of
17 all of this. And having a lot of agricultural area close to
18 San Francisco, San Mateo County, Santa Clara, et cetera,
19 well, we couldn't -- even the little that would have been
20 produced could not have been sold out of that San Francisco
21 plant.

22 MR. ACOSTA: Mr. Moscone, two feasibility studies
23 that were done that backed up the 1929 and the '84
24 legislation session and 1987 with the Craven bill, one was
25 done by a private firm out of Washington for the retail

1 market and one was done by Touche Ross and Alan Post. That
2 was for the state market. All the dollars are there, they've
3 all been documented and all the uses are there. It is there.

4 VICE CHAIRMAN MOSCONE: Well, you have my blessings
5 certainly.

6 MR. ACOSTA: We'll take your blessing. We can use
7 everything God can give us.

8 CHAIRMAN ROODZANT: Mr. Beautrow.

9 BOARD MEMBER BEAUTROW: Would you please tell me the
10 status of a finite site for this plant? I've heard, you
11 know, that you have been negotiating with the City of Los
12 Angeles for years now.

13 Do you have a politically acceptable definite site
14 that will be included in the CoSWMP or something? What is
15 the siting status, which is the all-important issue?

16 MR. ACOSTA: The City Council of Los Angeles has a
17 responsibility to provide the site for this facility. That's
18 a resolution adopted by the city a year ago.

19 There are five alternative sites presently going on
20 an EIR, and three of those sites are politically unpalatable.
21 Two of those sites are very appropriate. Until those two
22 sites have been finalized, because of private negotiations, I
23 can only tell you whatever the city announces in its public
24 hearings is public. I'm in contract negotiations and I can't
25 represent the city.

1 BOARD MEMBER BEAUTROW: No. But if there is an EIR
2 done on five sites, certainly then the public must know which
3 specifically five sites they are.

4 MR. ACOSTA: Mr. Beautrow, that EIR will be voted on
5 by the City Council next week.

6 BOARD MEMBER BEAUTROW: Okay.

7 BOARD MEMBER BREMBERG: But it is a public document
8 first.

9 BOARD MEMBER BEAUTROW: The other question is that
10 I've heard it said that some future councils may not be held
11 or bound by actions of previous councils. So I wondered if
12 there's any talk like that.

13 MR. ACOSTA: Well, if you look at the mass burn
14 contracts that were cut in this state, absolutely no
15 jurisdiction in a subsequent year seemed to negate the
16 commitment of the contract that was made with the use of
17 bonds or state bonds in a previous year.

18 There's no anticipation that the City Council in
19 Long Beach would overturn the SERRF contract any more than
20 there would be a city council in Commerce or Modesto
21 overturning the contract.

22 Once a contract's cut, the bonds are sold, it's a
23 25-year indebtedness between the bond holder and the letter
24 of credit bank.

25 BOARD MEMBER BEAUTROW: Yeah, but at this stage

1 we're only talking about them committing themselves to a
2 site.

3 MR. ACOSTA: No, the bond sale is November 1988,
4 Mr. Beautrow.

5 BOARD MEMBER BEAUTROW: Okay.

6 CHAIRMAN ROODZANT: Mrs. Bremberg.

7 BOARD MEMBER BREMBERG: Mr. Acosta, I had several
8 questions that I would like to ask the good doctor.

9 When you mix your top soil, where is your source,
10 and do you test the quality of the top soil?

11 DR. RANINGER: I hope I have understand all your
12 question.

13 The sources, yes, we have in Austria. You can get
14 all this additives in our area. What is your question?

15 BOARD MEMBER BREMBERG: Do you test your top soil as
16 to compatibility and what the end result will be before you
17 do mass mixing?

18 DR. RANINGER: In Austria we have very exact
19 regulations what our top soils or our potting soils must look
20 like. It's a law, fertilizer law, that includes all these
21 questions and we must accord to these questions.

22 BOARD MEMBER BREMBERG: Okay. Thank you.

23 My next question is not for you, but what do you
24 feel the production that you have in mind, Mr. Acosta, on
25 your composting and so forth as to the feasibility, usability

1 and marketability in considering the present development of
2 compost in a variety of county facilities that have been
3 underway for many, many years and no one seems to want them?
4 And are you going to try to use the force of these bills to
5 eliminate the county programs from the proposed marketing
6 cycle?

7 MR. ACOSTA: That's a legitimate question, Mrs.
8 Bomberg --

9 BOARD MEMBER BREMBERG: Bremberg.

10 MR. ACOSTA: There's absolutely no intention to ever
11 utilize the force of the bills to accomplish any private
12 sector limitations, but let me answer your question more
13 specifically.

14 The compost that you refer to regarding county
15 sanitation agencies -- East Bay MUD, County Sanitation in Los
16 Angeles, et cetera -- deal with sludge. They deal with heavy
17 metal content in the sludge, they deal with the need, and the
18 efficacy of removing the sludge. Such as you know Hyperion
19 and Terminal Island are now about to be trucked to five or
20 six specific areas, including crop farming and revegetation
21 areas and they're being issued -- the RFPs are being closed
22 this June.

23 Those are not the kinds of materials we produce.
24 They have absolutely -- nothing is similar. We've asked Dr.
25 Raninger to document and identify for us so we can thoroughly

1 and scientifically identify to the Waste Board in this test
2 program that the quality of a co-compost program that is
3 anticipated to be produced out of their plants, as well as
4 the ones he's been working with, are not at all similar.

5 I'm not downgrading sludge. Sludge is sludge. It
6 has its problems and it has its success stories. There's no
7 relationship between this -- co-composting of MSW four parts
8 to one part of sludge.

9 We have an entirely different media with this
10 sludge. The metals are gone. If we don't like the analysis,
11 we'll go into horse manure and non-toxic dairy waste
12 initially. No toxicity will be in these end products.
13 Sludge still has that problem. They don't remove anything
14 out of that sludge.

15 So the answer to your question is there's no
16 competition. When the Mayor of Los Angeles asked us this
17 same question, because of the failures of composting at
18 various parts of the state, he understands how the
19 definition's entirely different and there's no compatibility.

20 So the answer, I think, in another direction is that
21 the products that will be purchased by the state under these
22 bills will be those products purchased only if they're
23 certified and equal to and comparable to and cost no more
24 than products now being purchased by the state.

25 BOARD MEMBER BREMBERG: I'm also considering in my

1 question -- and you may have missed it -- the composting
2 products that are presently produced not using sludge, but as
3 soil enhancers and so forth with the County Sanitation
4 District through vegetation and park trimmings and so forth
5 and so on. Won't you by the force of this bill eliminate any
6 fair competition with that type of thing as soil enhancers?
7 Because I saw an awful lot of soil enhancement as being one
8 of the selling points on this particular process.

9 MR. ACOSTA: I think the big difference is the page
10 2 of the opening cover letter that I asked you to look at
11 before we started this.

12 He presents to you what they've done in Austria
13 because they have a farm orientation, agricultural
14 orientation. Our orientation are levee walls. If there's a
15 material out there that's being manufactured that can resist
16 water and provide long stable repair to levee walls, then it,
17 of course, will be used. If there's a material that can be
18 used for the construction of barriers previously made out of
19 cinder block and concrete, then it will be used.

20 We're not getting into the soil market. We're not
21 going to be bagging this material, not going to be sold in
22 the retail market. It's going to be used specifically for
23 forestry, parks and rec, highway wall construction, and levee
24 repair. Nothing else. And there are no products on the
25 market that can do those things now in the state of

1 California.

2 I hope that answers your question.

3 BOARD MEMBER BREMBERG: Yeah, it does, but not maybe
4 the way you intended it.

5 MR. ACOSTA: I'm trying to answer it as fairly as I
6 can.

7 BOARD MEMBER BREMBERG: Oh, I understand.

8 MR. ACOSTA: Mr. Chairman?

9 CHAIRMAN ROODZANT: Are there any other comments or
10 questions?

11 MR. ACOSTA: Thank you very much for your
12 presentation.

13 CHAIRMAN ROODZANT: Thank you.

14 Is there any more on Item No. 1 today?

15 Item 2, Discussion of Regulations.

16 MR. IWAHIRO: Mr. Chairman, while our people are
17 coming up here. This is really a continuation of some of our
18 work we've been doing in terms of upgrading our regulations
19 and developing regulations which are brand new.

20 The two areas that we're looking at today, one is
21 the financial responsibility for closure and post-closure
22 maintenance or care. This is basically trying to develop a
23 system where we will have a pot of money that will ensure the
24 closure and post-closure care of a landfill.

25 This had been on the agenda awhile back. I don't

1 think we really got to it. We talked about this a little
2 bit, but we probably should summarize what went on then and
3 then some additional information and then a couple of
4 speakers that will give us some idea of the kinds of
5 financial responsibility -- financial measures that we could
6 possibly include in our regulations.

7 In our second agenda item, 2B, we are talking about
8 the liability at landfills during the period of operation.
9 This is something that's been required by law and we are
10 addressing that. We discussed it in a prior meeting. We had
11 speakers on it. This agenda item basically summarizes what
12 was said and our reaction to those.

13 So first we'll talk about the financial
14 responsibility for closure and post-closure. Pam Badger and
15 Bill Orr will be presenting this item.

16 MR. ORR: Before I turn the microphone over to Pam,
17 I'd just like to say one thing real quick, that the
18 discussion today is going to be a general one talking about
19 the various mechanisms in a very generic way.

20 What we'll be looking at over the next months will
21 be how to apply these specific mechanisms to the applications
22 that we have to meet Assembly Bill 2448's requirements.

23 The first time we'll do that is in guidelines that
24 we're currently developing for the operators to prepare
25 certifications due to the Board and the Local Enforcement

1 Agencies on January 1st of 1989, and then finally those
2 mechanisms will also be included in the regulations that will
3 be adopted pursuant to AB 2448.

4 So today we're going to be listening to a more
5 general discussion. But in the coming months, we'll be
6 looking at these things in more specific detail.

7 With that, I'd like to turn the microphone over to
8 Pam Badger.

9 MS. BADGER: Thank you, Bill.

10 Mr. Chairman, members of the Board. Good morning.

11 2448 requires all persons operating solid waste
12 landfills to establish a trust fund or equivalent financial
13 arrangement to ensure adequate resources for closure and
14 post-closure maintenance. The bill requires that any
15 equivalent financial arrangement established must be
16 acceptable to the Board.

17 Financial assurance mechanisms are a means of
18 demonstrating that funds will be available for a specific
19 purpose. In this case the purpose is the proper closure and
20 post-closure maintenance of a waste disposal facility. In
21 general, they've been required primarily for hazardous waste
22 facilities. Requirements for solid waste facilities are
23 found only in a few states at this time.

24 Numerous mechanisms have been identified. They can
25 be separated into two categories, those used by

1 privately-owned facilities and those used primarily by
2 publically-owned facilities. In many cases mechanisms
3 available to private sites are also available to public
4 sites.

5 The methods have been examined as they would apply
6 to site owners. Whether site operators who are not owners
7 may use all the methods we're going to discuss today without
8 modification has not been addressed by staff and maybe some
9 of the speakers can address that. It's expected that the
10 majority of the options will be accessible to them.

11 First I want to summarize the testimony that was
12 given by the experts who talked last April and the interested
13 parties who spoke at that time. The full text of their
14 comments is appended and can be found on page 10 of your
15 packet.

16 In April Mr. Keith Seigmuller of the California
17 Pollution Control Financing Authority, CPCFA, discussed the
18 possibility of financial assistance from the CPCFA. He
19 described his organization and its function to sell tax
20 exempt bonds in the municipal bond market and relend the
21 proceeds for certain specified purposes, including financing
22 the construction of solid waste disposal facilities.

23 CPCFA has found financing of solid waste disposal
24 facilities to be among the most problematic of their
25 endeavors. In the last 14 years the only bond that has gone

1 into default was for a solid waste transfer station.

2 Another bond that has recently gone into default,
3 but not gone as far as foreclosure, is for a landfill where
4 the security for the bond issue was basically the land. The
5 bond holder does not want to become the land owner and accept
6 the accompanying liabilities.

7 Mr. Seigmuller also discussed financing efforts that
8 they went through with the BKK Landfill in West Covina. His
9 discussion of the project illustrates the difficulties such
10 sites may experience obtaining financial guarantees. He
11 explained why many groups are not eager to provide bond
12 assurance for landfills. The risk of default is simply too
13 great.

14 In closing, he stated that the CPCFA has no legal
15 authority to provide the kind of financial guarantees sought
16 here, and that he is not sure the amount contemplated in
17 AB 2448 is adequate to do the job.

18 Mr. Tom Vernon of the BKK Corporation commented that
19 when considering regulations reflecting the ability of the
20 operator to satisfy closure and post-closure obligations, the
21 ability of the operator to use his or her own equipment
22 should be considered and thereafter be reimbursed from a
23 trust fund or have the obligation on a trust fund relieved to
24 a certain degree.

25 Ms. Rubia Bertram of the Department of Health

1 Services' Toxics Division discussed her agency's experience
2 with financial assurance mechanisms for hazardous waste
3 sites. Approximately 40 percent of facilities under their
4 jurisdiction use the financial means test and another 20
5 percent use the trust fund.

6 The Department of Health Services has experienced
7 problems with trust fund assurance due to an overestimation
8 of the pay-in period, resulting in a fund insufficient to
9 cover actual costs at closure. They have also experienced
10 problems with companies undergoing substantial financial
11 reversal in between the demonstration of financial means and
12 closure.

13 Mr. Doug Isbell of Riverside County, the County
14 Engineers Association, and CSAC spoke on the strengths of the
15 enterprise fund as a financial assurance tool for
16 publically-owned facilities.

17 Like I said, this is a really short description of
18 what people said, and the entire transcript is in the back of
19 the agenda item.

20 At this point I'd like to turn over this item to
21 Mr. Michael Berg of ICF. He's going to be talking about each
22 of the individual assurance mechanisms and will be able to
23 answer your questions on any of these mechanisms.

24 MR. BERG: Thank you, Pamela.

25 Mr. Chairman, members of the Board. A couple years

1 ago ICF prepared a report for the Board on the potential need
2 for a state fund for closure/post-closure care of solid waste
3 landfills. I guess based on that report, Pamela has asked me
4 today to go through alternative means of financial assurance
5 for those costs, as well as for corrective action.

6 What I'm going to do in the presentation is I
7 developed briefing charts that are available for the Board,
8 as well as members of the audience. I would encourage you to
9 follow along the briefing.

10 I'm going to identify -- try to focus on the key
11 issues facing the Board and its staff in designing a program.
12 These include the potential for developing a financial test
13 for local governments, the need to authorize guarantees for a
14 wide range of entities, allowing firms the ability to
15 demonstrate on a case-by-case basis that a particular
16 mechanism is acceptable, as well as the need to require
17 standardized wording for mechanisms.

18 My presentation reflects my six years of
19 professional experience in the area of financial
20 responsibility, as well as ICF's experience in this area.
21 ICF's worked for EPA on its financial assurance programs for
22 solid waste, hazardous waste, underground storage tanks,
23 underground injection control, and ocean incineration; as
24 well as for the NRC in several states.

25 On page 2 I talk about the criteria for selecting

1 allowable mechanisms. In general, the purpose of financial
2 assurance is to ensure that adequate funds are available in a
3 timely manner to fund environmental obligations.

4 Thus, each mechanism should meet at least three
5 criteria: Ensure that funds are available in a timely
6 manner; second, that the guarantee is for the required amount
7 of funds; and third, that it's legally valid, binding, and
8 enforceable under state law.

9 A series of other criteria may be important in
10 particular cases such as administrative ease, costs, equity,
11 incentive effects.

12 In addition, the Board should allow landfill owners
13 and operators the flexibility to select from a wide range of
14 mechanisms that are acceptable so that owners and operators
15 can reduce their compliance costs.

16 How should the Board and its staff identify these
17 mechanisms? I suggest two starting points: First, the
18 financial assurance rules for hazardous waste facilities,
19 both under California law and under federal regulations; and
20 second, the more recently proposed rules for underground
21 storage tanks promulgated by EPA.

22 In addition, EPA plans to publish proposed rules for
23 solid waste landfills this summer. The proposal will
24 probably address financial responsibility. In addition, as
25 part of the rulemaking package, ICF, under EPA's direction,

1 is preparing a background document on this topic which should
2 be useful to the Board.

3 On page 3 I note eight types of mechanisms that I'm
4 going to talk about. Unless I note otherwise, each mechanism
5 applies to both private firms and local governments, as well
6 as for each type of financial assurance.

7 I don't examine state funds, because the Board would
8 require legislative action to create such a mechanism.
9 However, if a large group of owners and operators can't get
10 financial assurance through any other means, this option
11 might be worth examining.

12 The current Solid Waste Disposal Site Clean-Up and
13 Maintenance Account is important for financial responsibility
14 purposes, particularly if it alone meets EPA's requirements
15 that states set up a financial responsibility program under
16 EPA's soon-to-be-proposed rules. If that account standing
17 alone meets EPA's standards, then the rules that we're
18 talking about here today won't need to be tailored to satisfy
19 federal standards.

20 The first mechanism is the trust fund. In general,
21 it's allowed under a wide array of financial responsibility
22 programs, it provides a high degree of assurance, and is
23 available to everyone who can afford to pay.

24 The major risk with this mechanism is that the fund
25 assets will be poorly invested and thereby depleting the

1 fund. This risk can be minimized by making sure the trustee
2 has the proper qualifications, as well as adopts a
3 conservative investment approach.

4 The trust fund's the most costly mechanism, because
5 the owner or an operator must set aside funds, as well as pay
6 a modest trust management fee. This cost can be reduced by
7 allowing a gradual build-up period. In addition, other
8 mechanisms can also have a build-up period.

9 The second set of mechanisms are a letter of credit
10 and a surety bond, on page 6. These mechanisms are also
11 allowed under many financial responsibility programs. If
12 they're issued by a qualified institution, they provide an
13 adequate degree of assurance. However, their availability is
14 uncertain. At most, they'll be available only to large,
15 financially-sound firms.

16 In addition, they're relatively expensive. The
17 typical fees are one and a half percent of the face value for
18 a letter of credit, and two percent of the penal sum of a
19 surety bond. In addition, the owner or operator is often
20 required to post collateral.

21 Insurance and risk retention group coverage. Under
22 most insurance policies an uncertain loss is covered.
23 Insurance for closure and post-closure care or corrective
24 action must be structured in a different way, because those
25 costs are certain to arise. In general then, the insurance

1 for those costs, we're really talking about an annuity
2 contract. Such a mechanism can provide adequate assurance,
3 because the insurer is subject to state insurance regulation.

4 Insurance for corrective action for identified
5 releases won't be available. It's like issuing an insurance
6 policy for a building that's burning.

7 Insurance for closure and post-closure care is a
8 little more feasible, but probably also won't be available.
9 Nevertheless, if there are a few owners and operators that
10 can use that mechanism, the Board should allow it; because it
11 does provide an adequate degree of assurance.

12 There's also risk retention group coverage. Risk
13 retention group is similar to an insurance company, except
14 that it only covers members of the organization. It would be
15 possible for landfill owners and operators to set up a risk
16 retention group to cover their environmental obligations, but
17 to the best of my knowledge that hasn't been done. The
18 process may take awhile, as well as require significant
19 up-front funding.

20 The next mechanism is a financial test. Under the
21 hazardous waste programs, almost 40 percent of firms in
22 California use that mechanism. Its general purpose is to
23 demonstrate that the firm has adequate funds to cover the
24 obligation. So the test must be stringent enough so that it
25 indicates financial distress of a firm that could result in

1 bankruptcy.

2 It's a very low-cost mechanism. The main costs are
3 reporting and paperwork. Plus if a firm is independently
4 audited, an independent audit might be needed to verify the
5 accuracy of the financial data.

6 The U.S. Environmental Protection Agency has
7 developed two different financial tests under its various
8 programs. These tests use a range of different financial
9 measures such as tangible net worth, net working capital, and
10 bond ratings. The Board could use or modify these tests for
11 its own purposes.

12 In doing so, one important issue to consider is how
13 the test would apply to a firm that has several landfills or
14 a firm that uses a financial test under this program, as well
15 as under other financial responsibility programs.

16 The financial test for private firms doesn't apply
17 well to local governments for both fiscal and institutional
18 reasons. In terms of the fiscal factors, their accounting
19 methods are different for the public and private sectors, the
20 information used in the financial test really doesn't capture
21 the choices, resources and constraints of local government.
22 For example, the financial statement doesn't reflect the
23 local entity's right to levy taxes. In addition, the tests
24 have been developed to predict bankruptcy by private firms,
25 not by local governments.

1 In terms of institutional factors, a local
2 government could have the resources available to fund the
3 obligation, but be subject to other constraints such as
4 spending, debt, taxing limits, other priorities that restrict
5 its ability to fund that cost in a timely manner. In
6 addition, it may face constraints in reprogramming already
7 budgeted funds to quickly cover corrective action or closure
8 costs, for example.

9 Given that the other mechanisms generally have high
10 costs or limited availability, the Board should consider
11 developing its own test for local governments. The
12 difficulty in designing such a test is EPA has not developed
13 a test under any of its programs. It examined the issue back
14 in 1981, looking at bond ratings, but decided that they
15 really didn't accurately predict municipal bankruptcy or
16 default.

17 Two states have developed mechanisms that are
18 somewhat similar. For example, in Tennessee municipalities
19 can enter a contract with the state. The contract says that
20 if the municipality defaults on its landfill obligation, the
21 state will disperse certain funds already destined for the
22 local government.

23 Texas has a more flexible, or less stringent
24 requirement, merely that a city or county pass a resolution
25 saying that it will take care of those costs.

1 Page 11 describes the starting point in establishing
2 a framework or a methodology to develop a test.

3 CHAIRMAN ROODZANT: Please go ahead.

4 MR. BERG: Feel free to ask questions as I go along.

5 BOARD MEMBER BEAUTROW: I need to ask a question.

6 CHAIRMAN ROODZANT: Mr. Beautrow.

7 BOARD MEMBER BEAUTROW: This issue about local
8 governments and nobody's ever done that before; well, I
9 don't -- I mean, I'm not a historian, but I don't think that
10 any municipality in California's ever gone bankrupt.

11 I don't know, it seems like we're dealing in an
12 intangible. You're asking a federal -- a municipality to
13 pass some kind of a financial test. I mean, we've heard of
14 poor investments and problems like the City of Camarillo here
15 recently.

16 BOARD MEMBER BREMBERG: And San Jose.

17 BOARD MEMBER BEAUTROW: And San Jose, right.

18 But how do we deal with this? I mean, I'm not sure
19 we can; other than you've given us some indication here. I'm
20 at a loss to know how to carry this forward.

21 MR. BERG: My general suggestion is to try to
22 develop some criteria or standards that would apply uniformly
23 to local governments rather than just addressing it on a
24 case-by-case basis. That way consistency can be assured,
25 local governments can have more certainty as to whether or

1 not they'll be approved.

2 BOARD MEMBER BEAUTROW: Okay.

3 BOARD MEMBER BREMBERG: Mr. Chairman.

4 CHAIRMAN ROODZANT: Mrs. Bremberg.

5 BOARD MEMBER BREMBERG: Would you go back to page 5
6 and number one, two, three -- the third little black square
7 in the second one. "This risk can be reduced by requiring
8 the trustee to meet certain qualifications and to adopt a
9 conservative investment approach."

10 There are already standards in government regulation
11 concerning the investment of local government funds, and
12 would you think it feasible that those particular criteria
13 and standards be transferred to the private industry?

14 MR. BERG: I'm not familiar with the local
15 government standards. I do know, however, that most trustees
16 are banks. In general, there are legal principles in terms
17 of what a trustee's obligation is.

18 BOARD MEMBER BREMBERG: Well, then you have just
19 separated them.

20 BOARD MEMBER VARNER: There's certain laws that
21 govern them already.

22 BOARD MEMBER BREMBERG: Yeah, that's what I'm trying
23 to saying, that there are certain criteria (a) for private
24 investment; and (b) for municipal or local government
25 investment, municipal or county.

1 The reason that Camarillo and San Jose, although
2 they didn't violate the law, without using prudence
3 endangered the financial health of their -- and I just don't
4 know why you suggest that you have to change the
5 qualifications that are presently extant.

6 MR. BERG:- No, I'm not suggesting that there's a
7 need to change, but merely if a trust is written, maybe they
8 should specifically reference those standards.

9 BOARD MEMBER BREMBERG: Okay. But the way you wrote
10 this "can be reduced by requiring ..."

11 MR. BERG: My mistake.

12 BOARD MEMBER BREMBERG: I was just curious. Because
13 I didn't see what else you could put on them. There is
14 absolutely no way to control the intelligence or lack of
15 prudence by the people functioning.

16 MR. BERG: Although there is the opportunity to
17 require reporting so that the balance of the trust fund can
18 be --

19 BOARD MEMBER BREMBERG: Presently you do in local
20 government and it's very clear and it's very precise as to
21 what can be done and what can't be done. And if it's
22 violated, you have an addition to our prison system,
23 overcrowded prison system.

24 MR. BERG: But the Board, looking at particular
25 sorts of costs, wants to make sure, for example, that a trust

1 fund is at a specific level; that it equals, for example, the
2 closure cost estimate. So what it might do is require an
3 annual statement from the trustee demonstrating that the fund
4 level meets that level.

5 BOARD MEMBER BREMBERG: I believe that's already in
6 the law, or at least -- I'm not referring to private, I'm
7 just referring to what local government has to do.

8 Thank you. Back to page 11.

9 MR. BERG: Page 11. In terms of developing a
10 framework, the first issue is eligibility. It's my
11 understanding that solid waste landfills can be owned by a
12 variety of different local entities. These entities have
13 different revenue-raising capabilities and constraints. As a
14 result, if any specific financial test was developed, it may
15 want to either discriminate among different types of entities
16 by either allowing only certain entities to use the test, or
17 by developing different provisions for different entities.

18 In terms of fiscal factors, this is an area that
19 would be rather difficult and to some extent unique to
20 California law. But the sorts of fiscal factors that might
21 be considered include the financial size of the local entity;
22 its net fiscal capacity, which would look at its fund use,
23 taxing expenditure and debt abilities or, like the last one,
24 the lack of a recent bankruptcy or default. I guess in
25 California no local governments have declared bankruptcy, so

1 it would focus more on any defaults. A combination of these
2 factors might be used to establish a test.

3 In terms of institutional factors, two types of
4 alternatives are those I mentioned set up by the states of
5 Tennessee and Texas. The city council ordinance or
6 resolution, although it wouldn't bind the local government
7 and it wouldn't override state statutory or constitutional
8 restrictions, would demonstrate, particularly if there's been
9 a public hearing, that the resolution is -- the obligation
10 has a high priority for local government.

11 The second is the contract of obligation used in
12 Tennessee. To adopt this would probably require a change in
13 state law. In addition, it might be rather difficult to
14 implement. It would force a state to make difficult
15 decisions about funding local programs.

16 In summary, to reduce the costs of financial
17 assurance to local entities, the Board might consider
18 developing some sort of local government financial test.

19 BOARD MEMBER BREMBERG: Mr. Chairman.

20 CHAIRMAN ROODZANT: Mrs. Bremberg.

21 BOARD MEMBER BREMBERG: Have you ever considered --
22 or did you consider putting into this the prepayment and
23 predeposit of a closure/post-closure funding by local
24 government to build up a trust fund prior to the anticipated
25 closure of a landfill?

1 MR. BERG: It's my understanding that under a trust
2 fund, that's what would be required is a buildup before the
3 obligation occurs. This is a different sort of test that
4 says the local government doesn't have to set aside any
5 funds; its existing revenue-producing capacity is great
6 enough so that when that cost does arise, it will have funds
7 readily available to pay for it.

8 BOARD MEMBER BREMBERG: This is not in lieu of, but
9 complementary and in addition to.

10 MR. BERG: It would be in lieu of a trust fund. It
11 would say that --

12 BOARD MEMBER BREMBERG: Do you think that that
13 makes -- do you think that the emphasis should be on
14 something like this, or is this just a secondary alternative?

15 MR. BERG: I think it's a sound alternative that
16 should be seriously considered. It can greatly reduce the
17 costs of demonstrating financial responsibility. It can
18 provide an adequate degree of assurance if the standards are
19 high enough. Federal agencies have used it under their
20 programs with, I think, relative success.

21 BOARD MEMBER BREMBERG: Well, I'm going to take it
22 down to a very parochial point of view. We put aside in my
23 community several million dollars every year in anticipation
24 of the closure/post-closure costs.

25 By setting that aside and investing it, you make

1 enough money so that your trust fund obligations are reduced
2 every year and you still provide a very healthy financial
3 climate that indicates (a) a high degree of responsibility;
4 and (b) an assurance to anyone who should walk up and ask you
5 that, yes, the plans are in place, the money is in place.

6 If I had my way, I would suggest that this should be
7 a subsecondary opportunity that if you've got the landfill,
8 you've got the responsibility; and, as a municipality, that
9 money should be set aside right up front and not be given the
10 option of saying, well, maybe in eleven years we will have
11 the financial health to come up with a huge bump in financial
12 commitment to closure/post-closure.

13 MR. BERG: One point of clarification is that for a
14 financial test to work, the private or public entity must
15 meet the test periodically for that to be --

16 BOARD MEMBER BREMBERG: I understand that. But I
17 still say that -- local governments have an advantage over
18 private industry on this, and I think they ought to be very
19 carefully separated. Whereas one set of alternatives might
20 be -- this might be the primary and top of the line for
21 private industry. I really sincerely believe that if a local
22 government's tending to its business, that this would be a
23 secondary option.

24 MR. BERG: That's the way it is under current
25 programs.

1 BOARD MEMBER BREMBERG: That's why I think your --

2 BOARD MEMBER VARNER: Mr. Chairman.

3 CHAIRMAN ROODZANT: Mr. Varner.

4 BOARD MEMBER VARNER: I don't know if I understood
5 you correctly. Did you say with local governments, that they
6 need not set aside anything; that you could assume that they
7 have the power to meet their obligations just because they're
8 a local entity?

9 MR. BERG: And because they meet certain financial
10 conditions. That would be the intent of that option.

11 BOARD MEMBER VARNER: What financial conditions?

12 MR. BERG: In terms of their fiscal capacity to
13 produce their revenue when needed.

14 BOARD MEMBER VARNER: You know, I don't think you
15 could assume that just because a local government is a local
16 government, that they could meet any financial obligations
17 without setting anything aside. That doesn't make any sense
18 to me.

19 MR. BERG: The idea would be for a local entity,
20 that -- I mean, both the fiscal and institutional factors are
21 important. Maybe the obstacles to demonstrating, for
22 example, the institutional factor, making sure that they will
23 actually fund it, use their financial capacity may be too
24 hard to develop any component there that makes a test
25 reasonable.

1 BOARD MEMBER VARNER: I'm with Mrs. Bremberg. I
2 think that it ought to be required as they go along to set
3 aside money so they don't spend it for something else and
4 then when they come to the time of doing it, they don't have
5 any money to do it. Then it falls on the state or the
6 federal or somebody else to come up with it.

7 MR. ORR: If I might just interject right now. Part
8 of the reason that this item is here before you today is
9 because we are looking for specific direction. Because
10 ultimately the Board is going to be responsible for
11 determining which financial mechanisms are acceptable to you.

12 So we'll definitely note these comments right now so
13 that in terms of the final package, we have a financial
14 mechanism. We'll take those comments under serious
15 consideration.

16 We'll be coming back at the July meeting with the
17 first draft of guidelines for the operators, and at that time
18 we'll take your comments under advisement and come back with
19 that package for your further consideration.

20 MR. BERG: Moving on to guarantees on page 14.

21 For a guarantee to be effective, the guarantor
22 should meet some sort of financial test. We don't want
23 anyone to issue a guarantee. They need to demonstrate that
24 they've got the capacity to pay for the cost when it arises.

25 Guarantees are allowed under federal and state

1 programs. In general, in the past they've been -- well, for
2 a guarantee to be valid, it generally must be issued by a
3 firm that has a corporate or substantial business
4 relationship with the owner or operator.

5 The cost of the mechanism is relatively low. For
6 example, a corporate parent isn't likely to charge its
7 subsidiary for issuing a guarantee.

8 As noted on page 15, a critical issue in designing a
9 guarantee is determining who has the authority to issue one.
10 If only corporate parents can issue guarantees, then their
11 availability is limited just to firms that have a corporate
12 parent.

13 The mechanism could be made more widely available.
14 Other related firms could issue a guarantee -- corporate
15 grandparents, a subsidiary could issue a guarantee to its
16 parent, corporate siblings. In addition, related public
17 entities.

18 If the Board proceeds with investigating the need
19 for a local government test, then certain local government
20 entities might issue guarantees for others.

21 Finally, any public -- or it should say private
22 entity -- with a substantial business relationship with the
23 owner or operator could issue a guarantee; such as major
24 waste generators, waste haulers.

25 To design guarantor qualifications, I think the best

1 starting point is the proposed financial responsibility
2 requirements for underground storage tanks. These mechanisms
3 allow guarantees issued by a wide range of firms.

4 The mechanisms that I've gone over so far are the
5 most commonly used methods of demonstrating financial
6 responsibility. Another type of mechanism that the Board
7 might consider is a guaranteed loan from the Solid Waste
8 Disposal Site Clean-Up and Maintenance Account to qualify
9 owners and operators. The account limits guarantees to firms
10 needing corrective action for identified releases and
11 possibly the statute could be interpreted to also issue
12 guarantees to firms that aren't able to use any other
13 financial responsibility mechanism for closure or
14 post-closure care.

15 Other types of mechanisms might be suggested --
16 escrow accounts, certificates of deposit, lines of credit,
17 property liens. In general, these mechanisms aren't
18 acceptable for a variety of reasons, including administrative
19 difficulties, costs, lack of availability, or, more
20 important, their unreliability in assuring adequate funds.

21 Nevertheless, as another option the Board should
22 allow individual owners and operators to demonstrate that
23 another type of mechanism does provide adequate assurance.
24 Regulations or guidelines could establish criteria that
25 alternative mechanisms must meet.

1 A drawback of requiring this case-by-case analysis
2 is the administrative burden on the Board staff.

3 BOARD MEMBER BREMBERG: Mr. Chairman.

4 VICE CHAIRMAN MOSCONE: Mrs. Bremberg.

5 BOARD MEMBER BREMBERG: May I ask you if an exist --
6 under these other mechanisms and everything that you
7 previously stated, if an existing operator is presently
8 functioning under whatever rules they're functioning under
9 now, we change the rules and that operator cannot meet these
10 criteria and just quietly walks away, do you have any
11 provisions or any thought or any anticipation of who would
12 bear the burden for the closure/post-closure, or will it just
13 sit there?

14 MR. BERG: Well, the first obligation would still be
15 to the owner/operator if they've got any funds available. It
16 can't --

17 BOARD MEMBER BREMBERG: All right. Let's assume
18 that they're down to their last 50 bucks.

19 MR. BERG: If there is no -- if they haven't
20 previously demonstrated financial assurance, then the burden
21 falls on either the account, the state, or the public in
22 general.

23 BOARD MEMBER BREMBERG: Don't you think you ought to
24 include that in as what -- you know, worst case what might
25 happen? I think we ought to consider that. Because there

1 are a great many people who will just throw up their hands
2 and say forget it and quietly walk away, and here's a
3 municipality or a county or somebody that with every --
4 following all the laws and putting aside all their trust
5 fund, would they have to dip into their own
6 closure/post-closure plan and pick up and take care of a
7 private operator or what?

8 Don't you think that that's a problem that we ought
9 to address, whether or not it ever happens? It's a case that
10 could happen, and I have someone particularly in mind.

11 MR. ORR: A large portion of the account that's
12 established under AB 2448 will be available to prepare and/or
13 implement closure plans or pursue corrective actions. Out of
14 the \$20 million annually that's to be allocated --

15 BOARD MEMBER BREMBERG: I understand that. What do
16 we do in the interim period is my point, between the time
17 somebody walks away and the time it's processed through all
18 of the administrative programs and an analysis and Board
19 meetings and votes and here's your money and it's only taken
20 us seven and a half months, aren't we wonderful?

21 MR. ORR: I think that's a valid concern. All I can
22 say is that that's partly why the earlier you establish
23 financial responsibility, the less likely you are to have
24 that particular scenario arise.

25 MR. BERG: Moving on to combinations.

1 In general, combinations should be allowed, I think,
2 either combining several mechanisms to demonstrate assurance
3 for one type of cost, or using one or more mechanisms to
4 demonstrate assurance for several types of costs.

5 One problem that could arise though that should be
6 avoided is making sure that if there is a combination of
7 mechanisms allowed, that they're worded in a way so that
8 disputes among the different providers of assurance about
9 what costs they're responsible for doesn't jeopardize the
10 Board's ability to obtain the assured funds.

11 An issue that applies to all the mechanisms is
12 whether the Board should specify required wording for each
13 type of mechanism. Most programs have required wording and
14 these agencies have found that this standardization has not
15 limited the availability of coverage. Rather it's had two
16 major advantages: First, owners and operators are certain
17 that their mechanisms comply with the rules, that they're
18 valid and enforceable, and provide adequate assurance.
19 Second, this approach reduces the difficulties of monitoring
20 compliance. Board staff are spared the burden of having to
21 review the wording of each mechanism as it's initially
22 established or revised.

23 Developing this wording need not be difficult.
24 Mechanisms can be readily adapted from existing federal
25 and/or state mechanisms.

1 On the second to the last, page 19, I've identified
2 a few other key issues such as issues in terms of drawing on
3 the mechanisms and the need to establish procedures in
4 advance such as to cover exactly what triggers the obligation
5 on a mechanism, when must the funds be provided on behalf of
6 the owner or operator, where are the funds deposited. For
7 example, if a letter of credit or surety bond is drawn upon,
8 who determines how the funds are spent? If the closure cost
9 estimate, for example, is higher than the actual costs, who
10 are the funds returned to and in what manner?

11 Buildup periods are also important, as well as
12 potential exemptions or variances in record keeping and
13 reporting requirements.

14 To conclude, the Board could consider the eight
15 types of mechanisms identified on page 20, as well as
16 investigate allowing a wide range of private and/or public
17 entities to issue guarantees and the potential to use the
18 account to issue guarantees on behalf of certain owners or
19 operators.

20 The rules can be developed by using existing state
21 or federal rules as models, particularly the rules for
22 hazardous waste facilities and underground storage tanks.

23 If the Board is interested in a financial test for
24 local entities, that would be an area requiring some new
25 research.

1 CHAIRMAN ROODZANT: Thank you.

2 Is there any comments or questions?

3 CHAIRMAN ROODZANT: Mr. Beautrow.

4 BOARD MEMBER GALLAGHER: Mr. Chairman.

5 BOARD MEMBER BEAUTROW: You know, there's an issue
6 here about proscriptive versus performance standards. I
7 remember well when the Water Board came up with its
8 Subchapter 15 requirements and it was -- you know, that
9 debate went on do you want to specify right down to the last
10 dot what has to be required, or do you want to end up with a
11 certain goal and the way that you accomplish that goal is up
12 to you to demonstrate.

13 I would prefer, however we do this, that we give the
14 greatest latitude to everybody without being that specific.
15 I guess that would be what you might call a policy matter,
16 but maybe somebody can comment about 2448. What does it
17 require us to do in that bill as far as the Board is
18 concerned about how specific that we -- you said that we
19 could require wording or -- you know, what latitude do we
20 have in that regard? Can somebody comment on that?

15
21 EXECUTIVE OFFICER EOWAN: A number of things. It
22 requires a number of things. The first thing we have to do
23 is provide guidelines that give an indication of what our
24 policy would be and approving what the financial assurance
25 is. That's the process we're in right now.

1 BOARD MEMBER BEAUTROW: But, I mean, that doesn't
2 answer the question. Because in the end, after the
3 guidelines are adopted and everything, how specific do we
4 have to come? Do we have to say, cities, you shall --

5 EXECUTIVE OFFICER EOWAN: That's your discretion.

6 BOARD MEMBER BEAUTROW: That's what I thought.

7 MR. BERG: Excuse me. One suggestion might be to do
8 what the Nuclear Regulatory Commission has done. It doesn't
9 specify required wording, rather it issues guidance that says
10 these wordings are acceptable; but, in addition, you can use
11 mechanisms designed by your own choice. It does have some of
12 the advantage of reducing the burden on the staff, as well
13 as --

14 EXECUTIVE OFFICER EOWAN: No, excuse me. But I
15 think that's not clear policy. That's -- I think the more
16 clearly delineated you can make the policy, the better. I
17 know you don't want to handcuff people, but that doesn't mean
18 you can't give options that you feel are the best options
19 available.

20 The point made about whether or not local government
21 has the ability at some point to raise revenues they didn't
22 anticipate, that clearly puts an onus on the local government
23 to plan ahead, and you want that.

24 If you allow a lot of loopholes in it, you're going
25 to -- it's going to be easy to get the guidelines approved at

1 the beginning, but it's going to make it an awful mess at the
2 end in terms of consistency.

3 BOARD MEMBER GALLAGHER: Mr. Chairman.

4 CHAIRMAN ROODZANT: Mr. Gallagher.

5 BOARD MEMBER GALLAGHER: Is it not true under 2448
6 that ultimately, after the guidelines are developed and
7 entities develop their financial assurance plans, that we
8 have to have some approval of whatever those plans are?

9 MR. ORR: That's correct. There are two stages in
10 that. The first one, which is due January 1st, does not
11 require any explicit approval. It requires a certification
12 on the part of the operator that they've established such a
13 mechanism and that that mechanism will supply sufficient
14 resources to close the facility if that need be.

15 The approval will come later on when they actually
16 submit a closure plan. And with that, they'll essentially
17 have to revise their financial mechanism to meet whatever
18 changes might be in the plan. At that time the Board will
19 approve the plan and the financial mechanism at that time.

20 BOARD MEMBER GALLAGHER: Well, that, I think, is --
21 I brought that up because I think that does answer some of
22 the concerns that are here.

23 I'd like to thank you, Mr. Berg. Because I think
24 your paper is giving us a working document here to frame the
25 guidelines that we are going to be required to write. And

1 the comments from Ms. Bremberg and Mr. Varner can very well
2 be included as we consider the options that we have.

3 Certainly, this is the most delineated list of
4 options that anyone has presented to me up to now on this
5 issue. Keeping in mind what the bill has said, that we have
6 to develop the guidelines and then approve specific plans, I
7 think using this working paper as we approach specific
8 issues, we're going to be in a position to accomplish both
9 goals and neither handcuff people, nor, on the other hand,
10 ignore it as though it wasn't there.

11 Here are a lot of options that can be considered,
12 and others can be added. I wasn't bright enough to come up
13 with any. But there's one thing about it, if there are other
14 options at the time that we have to specifically apply them,
15 we can do so.

16 I think it was a nice presentation and I feel like
17 it's been worthwhile sitting here and listening to it,
18 believe me. Thank you.

19 MR. BERG: You're welcome.

20 VICE CHAIRMAN MOSCONE: I wish we had had this
21 before we got the packet.

22 CHAIRMAN ROODZANT: Are there any other comments or
23 questions this morning on the matter of financial
24 responsibility for closure and post-closure care?

25 MS. BADGER: Mr. Chairman, we have another speaker

1 that we'd like to have talk, if you all still have time.

2 CHAIRMAN ROODZANT: Could you give us some
3 indication what kind of time it's going to take?

4 MS. BADGER: I don't think it will be very long.
5 We've asked Mr. Ron Nichols of RMI Consultants to also speak
6 on this matter. We've not completely covered all the
7 publically-owned facilities options for financial assurance.

8 CHAIRMAN ROODZANT: What does not very long mean?

9 MS. BADGER: You could ask Mr. Nichols.

10 MR. NICHOLS: Mr. Chairman, probably about --
11 certainly less than 15 minutes.

12 VICE CHAIRMAN MOSCONE: Give it the gas, dynamite.

13 CHAIRMAN ROODZANT: Let's go for it. Thank you.

14 MR. NICHOLS: Thank you much for the opportunity to
15 speak to you today. My name is Ron Nichols. I'm a senior
16 vice president with Resource Management International.

17 RMI is a engineering and consulting firm. We're
18 headquartered here in Sacramento. We have offices in six
19 different regional locations and we work principally in the
20 areas of waste management, energy, and water utility areas
21 pertaining to engineering, financial management and
22 regulatory management work.

23 We've been following with quite a bit of interest
24 the challenge associated with trying to implement 2448. What
25 I wanted to do is just take a few minutes here. I've

16 1 presented and you should have copies of some written comments
2 on this subject -- and I will try to be as brief as possible
3 in going through that -- on the basic area of what I think is
4 one optional -- and I stress it as an option -- promising
5 mechanism of a risk sharing pool that was mentioned briefly
6 by Mr. Berg. I believe he referred to it as a risk retention
7 group. A similar sort of concept.

8 I think what I'll briefly address here is what are
9 some of the key attributes of that that are needed for a
10 financial assurance mechanism for closure and post-closure
11 costs, some of the possible shortcomings of some of the other
12 methods, some of the relative benefits of a self-insurance
13 pool, and a need for some adequate time to develop such a
14 mechanism.

15 Now, some of the financial assurance mechanisms that
16 Mr. Berg has described here I won't go into -- the trust
17 funds, letters of credit, surety bonds, insurance, and the
18 enterprise fund concepts.

19 But the risk management and the risk sharing pool I
20 think combine some of the benefits of a trust fund and at the
21 same time provides some of the similar benefits that an
22 insurance policy provides.

23 I think let me first kind of go through what I see
24 as the types of attributes that should be attached to a
25 financial assurance mechanism, whichever mechanism the Board

1 ultimately allows.

2 One has to provide adequacy of funds, be certain
3 there's enough dollars in the pool available to provide for
4 closure and post-closure.

5 You need adequate liquidity. That means when the
6 dollars are needed, the dollars need to be available.

7 There needs to be enough flexibility. Recognizing
8 that you're entering some unchartered grounds here and
9 knowing with certainty what your post-closure costs could be.
10 So you need the ability to adjust to those costs.

11 You want to be able to minimize the level of funds
12 that need to be held off to the side for economic and
13 financial reasons.

14 And you want to make sure that you've got
15 availability of funds despite the financial condition of
16 those operators.

17 Then, additionally, I think it's good to have some
18 sort of a mechanism that really provides a means of providing
19 an incentive among operators to reduce that financial risk of
20 high post-closure costs.

21 Now, with those objectives in mind, I'd like to try
22 to briefly summarize what I see as some of the key aspects of
23 a risk sharing pool as one of the mechanisms.

24 First of all, I'm going to make it clear we're
25 talking about something that would be a voluntary measure.

1 You would not be requiring people to enter -- and operators
2 to enter into the pool, but it would be an option available
3 to them in addition to some of the other alternatives that
4 Mr. Berg discussed.

5 A pool would then establish a set of criteria;
6 criteria for how they're going to come up with adequately
7 estimating closure costs, criteria that will be reviewed by
8 the Board, and, additionally, establish some criteria for
9 operation, criteria for design of facilities and expansion of
10 facilities so that it creates some internal integrity to the
11 pool members that they're all operating on a common ground.

12 A risk assessment would be performed at the outset
13 for each member of the pool on their facility and an estimate
14 using common estimating procedures of what they think the
15 closure/post-closure costs would be.

16 Then a contingency level to be agreed upon by the
17 pool members above and beyond those costs would be
18 established and then a funding mechanism through a
19 combination of debt issuance on behalf of the pool and annual
20 contributions to that pool would be established.

21 At that time then each pool operator would have
22 developed a program and a funding program with the pool.
23 There would be an accumulation of sufficient funds to pay off
24 the estimated closure and post-closure costs, recognizing
25 interest earnings over time. And then those closure and

1 post-closure costs would be guaranteed by the pool. The pool
2 would be the party that you would look to to then provide for
3 the performance of that closure and post-closure within
4 certain limits.

5 The pool would receive the funds, they'd invest
6 them, and they would administer them. So they would have the
7 attractive nature of like an escrow, that the funds are only
8 available to be withdrawn for these purposes.

9 Operators that would leave the pool would not
10 receive any refund of the money that they had put in. Those
11 monies would remain available in the future to the amount
12 that they had been invested and future investment earnings.
13 That could be applied to closure and post-closure.

14 If over time -- recognizing that we are looking at
15 some unchartered waters here. If over time we find that the
16 amounts of closure and post-closure costs have been
17 underestimated, you can make an adjustment in that pool, an
18 adjustment to the contributions in that pool over time;
19 unlike an insurance policy in which, if it's an inadequate
20 amount, you simply have a limit that's too low without
21 adequate flexibility.

22 So given those basic features of this pool, let me
23 go back to those specific criteria that I talked about.

24 First of all, I think that this type of arrangement
25 can do a very good job of providing adequacy of funds if it's

1 well-established up front. I think it can clearly provide
2 adequate liquidity, because the monies would be available in
3 appropriately-timed investments and they could be distributed
4 by the pool as needed.

5 I think it provides a great deal of flexibility.
6 Because over time you can take a look and you can see how
7 well we're estimating the closure and post-closure costs and
8 make adjustments over time.

17 9 I think you can minimize the amount of fund levels
10 that might be needed through debt issuances. Through the
11 pooling effect you also achieve diversity among different
12 pool members. They're not all going to overestimate, not all
13 going to underestimate their costs.

14 Additionally, I think it's a good means to survive
15 the insolvent operation problem. You've got an operator
16 that's gone bankrupt or otherwise financially insolvent. If
17 monies are set aside in a pool to provide for that closure
18 and post-closure, I think it can provide a good mechanism.

19 Additionally, when you enter into a pool and you
20 establish some operating criteria and some design criteria
21 associated with expansions and operations, then you need to
22 meet those criteria to continue receiving the benefits of the
23 pool.

24 It kind of creates a peer pressure and a watch dog
25 among the operators in their own self-interests and it's

1 something that's very difficult to do from a regulatory
2 perspective, but it provides a direct financial incentive to
3 do that.

4 I think on the whole, while it's not a mechanism
5 that you can point to a significant number of similar
6 examples, I think due to the unusual nature of the
7 application here, I think it holds a lot of promise.

8 One of the problems associated with that though is
9 the schedule for implementation. I think it's likely right
10 now, irrespective of this mechanism, that there are going to
11 be a number of landfill operators come January 1989 that will
12 not have met the requirements of 2448. I think that some of
13 the operators who perhaps could best benefit from this risk
14 pool concept might be some of those who would otherwise not
15 be ready to have their ducks in order come January of next
16 year.

17 I would suggest that the Board consider seriously
18 the option of a risk management pool as just that, an option.
19 And that to the extent activities were undertaken by a group
20 to pursue this and the pool was being structured and in
21 progress, but not yet completed by January, that some
22 extension would be applied to those parties and those
23 operators who were then members of that pool trying to get
24 that pool put together.

25 If I could entertain any questions.

1 VICE CHAIRMAN MOSCONE: Any questions?

2 Thank you, Mr. Nichols.

3 BOARD MEMBER VARNER: I just would like to
4 compliment you on making a very good presentation. Because
5 you hit the nail right on the head with most of the things.

6 I think this Board's got two things: One, how you
7 gonna set aside the funds; and then we have to answer the
8 question are they adequate. That seems to be the two major
9 things, and you've touched on some very good points here.

10 MS. BADGER: Thank you very much, Mr. Nichols.

11 I have two publically-owned facilities financial
12 mechanisms I'd like to discuss at this time if it's the
13 pleasure of the Board.

14 VICE CHAIRMAN MOSCONE: Proceed.

15 MS. BADGER: The two items, one is the enterprise
16 fund. The enterprise fund is an account that's established
17 to carry on a specific activity or attaining certain
18 objectives in accordance with special regulations,
19 restrictions, or requirements. I think this is similar to
20 what Mrs. Bremberg was talking about earlier.

21 An enterprise fund sets aside resources for a
22 specific purpose, unlike most government funds, which all the
23 monies are expendable for whatever services. Enterprise
24 funds are often used to account for government activities
25 providing goods and services to the general public. They're

1 often financed wholly or partly from user charges. They're
2 generally intended to be self-supporting.

3 Enterprise funds could be created to provide for
4 closure and post-closure at one or more facilities. I
5 believe we discussed these at the April Board meeting at, I
6 think, San Bernardino.

7 Another option which we haven't really exercised
8 very much is state assumption of responsibility. RCRA
9 Subtitle C allows states to assume legal responsibility for
10 an owner or operator's closure and post-closure or liability
11 requirements for hazardous sites. It also allows states to
12 assure that funds will be available from state sources to
13 cover these requirements.

14 The EPA considered state guarantee to be appropriate
15 for municipalities and special districts, because they are
16 created by state law and states can gauge financial
17 conditions of these municipalities or special districts.

18 The state can reduce financial assurance costs to
19 municipalities by guaranteeing or assuming some of the
20 obligations. To extend state assumption of responsibility to
21 solid waste disposal facilities, states would have to
22 guarantee provision of closure and post-closure by
23 municipalities or provide these services directly from state
24 resources. So it probably involves some kind of legislation.

25 That's the extent of what I have to say about

1 these -- was there a question?

2 BOARD MEMBER BEAUTROW: Yeah, I would say the
3 chances of that would be nil to none.

4 MS. BADGER: Still we have to bring up all the
5 options.

6 That concludes our presentation. We've received
7 some guidance from the Board on mechanisms the Board feels
8 may or may not be appropriate. We'll be hoping to get
9 further guidance as we come forward to the Board with the
10 guidelines a little later on. Thank you very much.

11 VICE CHAIRMAN MOSCONE: Questions?

12 Mr. Eowan, is that the end?

13 EXECUTIVE OFFICER EOWAN: (Nods head)

14 VICE CHAIRMAN MOSCONE: I think it might be a tough
15 time to try to get out and have lunch. Should we --

16 THE REPORTER: I have to change paper.

17 VICE CHAIRMAN MOSCONE: Go right ahead then. Let's
18 take a five-minute break.

19 (Thereupon a brief recess was taken.)

20 VICE CHAIRMAN MOSCONE: Well, we'll proceed with
21 whomever we have here to 2B and hopefully --

22 BOARD MEMBER BEAUTROW: No. 10.

23 VICE CHAIRMAN MOSCONE: -- No. 10 before we break
24 for lunch.

25 MR. IWAHIRO: I think Caren Trgovcich will handle

1 this item. It is an item where we talked about it before.
2 We had considerable input from a number of people, and I
3 think they are -- yes, they're listed on our agenda item.
4 This is really the subject of the financial liability during
5 the operation of a landfill and that assurance.

6 So Caren will summarize basically what was said
7 before, some of the comments that staff has on those comments
8 made by the people listed here.

9 Caren.

10 MS. TRGOVICICH: Good morning -- or good afternoon,
11 whichever it may be, Mr. Chairman and members.

12 During last April's Board meeting on April 8th the
13 Board held a workshop on this issue of financial assurances
14 at operating landfills. At this time the Board took
15 testimony from all of the individuals listed on the first
16 page of the agenda item on page 30 of your packet.

17 What I'd like to do today is just to summarize the
18 testimony that was received, the major issues that were
19 raised by the individuals presenting the testimony, and staff
20 response to that testimony.

21 I'd like to ask for your direction and any questions
22 that you may have during this presentation on the staff
23 response so that we may receive direction as to whether or
24 not this response is appropriate or whether we should alter
25 the direction that we propose to take.

1 I'd like to briefly summarize what the insurance
2 industry presented to you, and that was background on this
3 issue.

4 This issue of financial assurances at operating
5 landfills or insurance is one that arose because of
6 legislation that was passed back in 1984, AB 3527, and the
7 Board was required to develop regulations in this area.

8 The issue of the availability of insurance has been
9 the problem for the Board in developing these regulations.
10 That was the reason for the workshop that was held in April,
11 to be able to explore this issue of availability and
12 determine whether or not we could overcome the issues
13 surrounding availability.

14 The insurance industry presented to you three major
15 points, three major reasons as to why this type of insurance
16 was viewed as unavailable by the industry. The first reasons
17 were liability standards.

18 In this industry the most commonly applied liability
19 standard in the context of pollution insurance is retroactive
20 strict, joint and several liability. This liability may
21 require the insurer to cover not just the policy holder's
22 conduct, but the conduct of others as well.

23 This is one of the reasons why the insurance
24 industry views pollution insurance as uninsurable, because
25 they would be held to the responsibility of others other than

1 the operator of the landfill.

2 The second reason why pollution risks are viewed as
3 uninsurable is perceived judicial misinterpretation of
4 insurance contracts. At the April Board meeting, Deohn
5 Ferris of American Insurance Association discussed with you
6 several leading court cases and their outcomes and the
7 problems presented by the court's misinterpreting those
8 contracts and applying them more liberally than the insurance
9 industry intended. Therefore, the insurance industry is
10 required to pay out on claims for damages for which premiums
11 were not collected.

12 The third reason why the insurance industry views
13 this as a very difficult issue is the issue of increased
14 litigation. In this area of increased litigation there have
15 been judgments awarded for damages -- judgments awarded which
16 were not covered under the current policies or the policy
17 language. Such examples are judgments awarded for emotional
18 stress, fear of injury, and enhanced risk of disease.

19 The insurance providers did not require or collect
20 premiums for this kind of coverage when they enacted the
21 policy with the policy holder.

22 Moving on to the testimony now and the major issues
23 that were covered. The first issue is on page 33 of your
24 packet, and that's the comparison by the insurance industry
25 of solid and hazardous waste sites.

1 The insurance industry finds it very difficult to
2 separate these two types of sites because of the issue of the
3 identification of hazardous constituents in solid waste
4 landfills and the migration of those constituents beyond the
5 property boundary.

6 Staff's response in this area is that increased
7 requirements for load screening may offset the addition of
8 quantities of household hazardous waste or other substances
9 which may contribute to this problem. Other operational
10 controls may also be employed to reduce the hazardous
11 constituents in the waste stream.

12 Staff further feels that it may be possible for an
13 insurance provider to look at these controls when they
14 evaluate the policies and to adjust the premium or remove
15 certain policy limitations based upon these increased
16 controls.

17 The next issue is on-site versus off-site coverage.
18 Traditionally, the insurance industry has covered off-site
19 problems. That is, they perceive a moral hazard. This is
20 the term that the insurance industry utilizes in the coverage
21 of on-site risks. They believe that the operator should be
22 able to take care of and provide the coverage for incidents
23 which may occur on-site. They feel that this will increase
24 the effectiveness of the operator's attentions to his
25 operations and perhaps provide better controls over the

1 operations at the facility.

2 The statutory mandate in staff's response is for the
3 assurance of adequate financial assurance. Staff feels that
4 there needs to be assurances both on-site and off-site, as
5 this is what statutory mandate requires. If an insurance
6 provider will not provide that on-site coverage, at this time
7 staff cannot not require on-site coverage. We must adhere to
8 the statutory requirement, and it would be up to that
9 operator to find other sorts of coverage or other mechanisms
10 to provide coverage for on-site incidents.

11 The next item is self-insurance. These are issues
12 starting now that were raised by the private sector. Several
13 companies may be able to provide self-insurance to protect
14 themselves against the risk of liability. This alternative,
15 however, may not be available for smaller companies who could
16 not set aside the capital required to provide for
17 self-insurance.

18 The problems presented by self-insurance are in the
19 long term. A company may be able to provide certification of
20 self-insurance today, but what happens five years from now
21 when that company may be experiencing financial difficulties
22 which may preclude their ability to pay out on claims which
23 are covered by their certification of self-insurance?

24 Staff's response in this area is that self-insurance
25 may be the only mechanism for some companies to demonstrate

1 assurance of adequate financial ability, but staff will
2 explore requirements for verification and ongoing review of
3 these certifications in order to ensure that these companies
4 on a periodic basis are reviewed and can prove that they can
5 provide this kind of coverage for themselves.

6 The next issue that was discussed was the issue of
7 offshore insurance companies. This raises the issue of
8 requirements of companies that are licensed to do business in
9 the United States versus companies that are licensed outside
10 of the United States. Companies that are not registered
11 within the U.S. may not have to provide the same financial
12 reserves for claims that are required for companies that are
13 registered in the United States.

14 Staff's response in this area is that our current
15 draft regulations do not allow for the use of offshore
16 carriers. This would thus take care of this issue in terms
17 of not allowing operators to contract with offshore carriers
18 in providing this type of insurance.

19 Financial means demonstration was another issue that
20 was discussed. This issue was discussed by the
21 representative of the GRCDA, Barry Shanoff. This was another
22 issue that was touched upon in the last presentation.

23 GRCDA feels that the financial means tests which
24 were developed in the draft document do not adequately
25 represent the abilities of the public sector and, thus, that

1 these financial means tests would not be able to satisfy
2 themselves within the public sector. GRCDA proposed that
3 they, along with other knowledgeable parties, develop
4 alternate mechanisms to these financial means tests.

5 We support -- staff supports the recommendation of
6 the GRCDA and believes that any consensus reached on what is
7 an acceptable alternate mechanism should be considered for
8 incorporation into the regulations or guidelines accompanying
9 the regulations.

10 The next issue was the issue of coverage levels.
11 Under this issue it was recommended that landfills which take
12 in a smaller amount of solid waste on a daily basis be
13 allowed some sort of compensation in terms of the amount of
14 coverage that they must carry, that coverage levels
15 associated with a 5,000-ton-per-day landfill may not be
16 applicable to a 50-ton-per-day landfill.

17 Staff's response in this area is that we will
18 explore acceptable levels of coverage overall, but that the
19 use of a graduated scale as an alternative to a flat rate of
20 coverage for all landfills is something that we will have to
21 look into very closely; because it is possible that the risks
22 associated with those types of facilities during the
23 operation may be more comparable to each other than the total
24 tonnage that they receive. That is, that the risk associated
25 with a 5,000-ton-per-day landfill and a 50-ton-per-day

1 landfill may be more related to each other than we actually
2 may believe.

3 The next issue was good behavior coverage credit.
4 That's what we called it. In this issue the industry
5 representatives suggested that regulations address the
6 integrity and effectiveness of the landfill operation. That
7 is, that landfills that demonstrate an ongoing effectiveness
8 in controlling the incoming waste stream and controlling the
9 actual operations themselves, that they may qualify for some
10 sort of credit or benefit as it relates to their financial
11 liability requirements.

12 Staff's response in this area is that it would not
13 be appropriate for the level of coverage required by
14 regulation to be reduced based upon good performance. A
15 reduction in coverage by a regulatory agency based upon past
16 good behavior may have a detrimental effect on future adverse
17 occurrences. However, staff supports the idea that insurance
18 providers could credit good performance with a reduction in
19 premiums or some other mechanism.

20 The next issue raised was what would the compliance
21 rate be with this sort of regulation, how many landfills in
22 the state could comply with financial liability regulations,
23 and what would the enforcement response be for those
24 landfills not complying with these regulations.

25 I'm going to defer staff response on this item to

1 just a few minutes when I get to two issues which staff has
2 raised which staff feels may satisfy this concern.

3 The next issue, definition of facilities that must
4 comply with financial liability requirements. In this issue
5 there was concern over the range of sites that may be covered
6 under the draft regulations. It was unclear in the draft
7 regulations whether these requirements would cover demolition
8 sites, monofills, agricultural waste sites, sludge
9 application sites, and other types of sites which are
10 considered to be solid waste facilities.

11 Staff agrees that the draft regulations were unclear
12 in this area and we are working to come up with a definition
13 that will be more practical.

14 The next issue, financial liability related to
15 overall capacity. In this issue the industry stated that
16 landfills that have little remaining capacity may not be able
17 to develop the dollars to produce the guarantees that are
18 required for financial coverage, and, thus, these sites with
19 little capacity remaining, such as one, two and three years,
20 may decide to prematurely close the facility rather than face
21 the uncertainties and financial restraints associated with
22 obtaining financial liability insurance.

23 Staff feels that faced with direct enforcement
24 action, that some facilities with little remaining capacity
25 may decide to close prematurely; but we, under two other

1 issues which I will cover in a few minutes, we feel that we
2 may address this problem.

3 The issue of landfill liability and who should bear
4 the entire cost was raised by the industry as well. This
5 issue suggests that perhaps it's not just the owner and
6 operator of the landfill that should accept the risk of the
7 financial assurance requirements of a landfill, but that in
8 fact that there should be a spreading out of the risk, that
9 these risks should be spread out amongst the general
10 population that contribute to the landfill as generators and
11 that the generators would thus be held responsible for future
12 liabilities.

13 Staff response in this area is that we are guided by
14 the legislation, AB 3527, in this area, which specifically
15 states that the operators are the party that must demonstrate
16 the financial assurances that are required and that we as
17 staff cannot address the appropriateness of the placement of
18 liability within this context. However, the Board may
19 consider this issue separately from the statutory
20 requirements.

21 The next item, regulatory language and consistency
22 with the insurance industry, suggests that the insurance
23 industry promotes language and forms which are constant
24 throughout the entire industry and they've become standard
25 and that language -- policy language may change and,

1 therefore, it's important for the regulations themselves to
2 change as the policy language changes.

3 Staff agrees that language in the regulation should
4 keep pace with the insurance industry to avoid unnecessary
5 noncompliance because of a change in definitions or because
6 of a change in language which may not directly comply with
7 the language that the Waste Management Board may develop.

8 However, staff does not agree that in the event that
9 the insurance industry unilaterally alters the available
10 limits of coverage or that the types of coverage that can be
11 provided is altered, that staff should automatically alter
12 the regulatory language. If the insurance industry decides
13 to alter the coverage limits or the types of coverage, staff
14 will have to explore the availability at that point.

15 Under proof of insurance, the industry has certain
16 forms, acceptable forms, that they utilize in terms of
17 certifying that a certain company does have insurance
18 coverage, and that the industry recommended that we either
19 utilize some sort of standard form or require proof of
20 insurance via copies of insurance policies.

21 Staff agrees that we would need some sort of uniform
22 certification that the industry can accept and that is
23 acceptable to the Board as well.

24 From the public sector the main issue that was
25 raised was in regards to publically-held trust funds that are

1 utilized for insurance purposes. The major issue that was
2 raised was that these funds in some cases could be raided --
3 I don't know a better word than that -- by future boards of
4 supervisors for future governments in the event that the
5 money is needed and it is the only available source at the
6 time.

7 Staff's response in this area is that if a local
8 government decides to establish some sort of fund to provide
9 those financial assurances, that this fund must be inviolate,
10 and that if the fund is utilized for any other purposes other
11 than payment of claims resulting from these regulations, that
12 this would constitute noncompliance with the regulations.

13 Staff then proposed two additional issues and
14 solutions which we feel may address some of the issues raised
15 above as well.

16 The first issue is phased compliance. Staff
17 recognizes that there are a large number of landfills that
18 will be required to comply with these regulations and that it
19 will be necessary for the insurance market to adjust to the
20 large number of facilities that will be running to their
21 doorsteps immediately upon passage of these regulations to
22 find coverage.

23 Staff feels that a phased compliance schedule may be
24 able to alleviate the situation and provide necessary time
25 for those facilities that are unable to find coverage.

1 Under Item 16 you can see how a phased approach
2 would work. Staff recommends that we explore the possibility
3 of such a phased approach, as it would aid not only operators
4 themselves by granting them additional time when needed, but
5 it will aid the insurance industry in coming up with some
6 sort of solution to meet the needs of solid waste landfills.

7 The next item the staff has added to this agenda
8 item is enforcement suspension provisions. Staff recognizes
9 that there may be facilities out there, both large and small,
10 that cannot get coverage. It simply will not be available to
11 them at any cost.

12 Staff recognizes this and believes that it may be
13 possible for the Board to suspend enforcement of these
14 financial assurance requirements if the operator can fully
15 demonstrate that it was not possible to obtain any sort of
16 assurances. It would be necessary for staff to come up with
17 criterias as far as what is demonstration of non-availability
18 of coverage.

19 This concludes the summary on this item. If you
20 have any questions or additional direction you'd like to
21 provide staff. Right now what we are looking at is for
22 direction from the Board in terms of development of these
23 regulations: Should we proceed with the issues and the
24 responses that we've developed in this agenda item and amend
25 the regulations, or come forward with another draft of

1 regulations which addresses these issues, or is there another
2 direction that the Board would like staff to take under this
3 item.

4 CHAIRMAN ROODZANT: Thank you very much.

5 Mr. Beautrow.

6 BOARD MEMBER BEAUTROW: We are going to have some
7 special Board meetings specifically for the regulations, as I
8 understand it, some scheduled ones. I would certainly
9 like --

10 There's a lot of stuff here that needs discussion.
11 And this bomb shell that you laid in No. 17 about, well, we
12 can have all of this umbrella of everything under the sun,
13 but then we could provide an escape clause. You know, that
14 needs a lot of discussion.

15 So I would just suggest that we defer any further
16 discussion on this until we have a chance -- I like the idea
17 of having the special Board meetings to deal with this. Like
18 it was very successful last time we did it, specifically on
19 this and nothing else.

20 So I just think that it needs further discussion.

21 CHAIRMAN ROODZANT: Is there any other discussion?

22 Thank you very much.

23 Before lunch we have an out-of-town guest here today
24 we've asked to come to speak to us on Item No. 10 we'd like
25 to hear, Consideration of Report on Waste Disposal Regions in

1 Los Angeles County as required By AB 223.

2 MR. OLDALL: Yes, Mr. Chairman, members of the
3 Board. This particular piece of legislation authored by
4 Sally Tanner required a joint study to be conducted by our
5 Board and the Los Angeles County Sanitation Districts. The
6 intent of the legislation was to seek equitable distribution
7 of solid waste sites in Los Angeles County.

8 John Smith of Board staff has had time to review
9 this report and he'd like to present his own view, together
10 with Mr. Steve Maguin from L.A. County San Districts. We may
11 have a representative here from the legislative author's
12 office, also.

13 --oOo--

14 MR. SMITH: Mr. Chairman and Board members, AB 223
15 required that a joint study be done by both this Board and
16 the County Sanitation Districts to look at the extent to
17 which there was an inequitable distribution of disposal
18 sites, and also develop recommendations for eliminating the
19 inequitable jurisdiction of disposal sites. The findings and
20 recommendations of that study were to be included in the
21 report which was to go to the Legislature in July of 1988.

22 The County Sanitation Districts has prepared the
23 draft report based on earlier input from the Board and Board
24 staff. Board staff received that report on May 20th. Since
25 the time was short in which to review it and include

1 information in the item, the information in your item is
2 preliminary.

3 The report was to cover five areas: The quantities
4 of waste generated by the six disposal regions in Los Angeles
5 County. They were also supposed to look at the amount of
6 waste disposed of in each region. The report was also
7 supposed to talk about recommendations for more equitable
8 distribution of disposal sites. They were also to look at
9 the impacts caused by the inequitable distribution of the
10 disposal sites. And then finally the report was to look at
11 the feasibility of diversifying waste management methods so
12 that the impact of the inequitable distribution of disposal
13 sites could be remedied somewhat.

14 Since the item was prepared, staff has carefully
15 evaluated that report and found overall that the five areas
16 have been addressed by the County Sanitation Districts.

17 Staff feels that information in certain areas of the
18 report could be elaborated upon to make it more clear and
19 perhaps enhance the report. That additional specific
20 additional information includes -- the specific information
21 includes that data be provided to support the report
22 conclusion that only 23 percent of the waste could be
23 diverted through waste-to-energy technologies.

24 Second, that additional data be provided in the
25 report on the waste diversion potential of material recovery

1 programs for the commercial waste stream. Not much
2 information was provided in that report.

3 The third item was that we'd suggest that greater
4 detail on the environmental impacts caused by the inequitable
5 distribution of disposal sites be discussed in the report.

6 Finally, we feel that the recommendations should be
7 more specific and implementable in the report.

8 Staff is recommending that staff comments, along
9 with the individual comments of the Board, be incorporated
10 into a final report which would come back to you for your
11 consideration at the July meeting.

12 I would now like to turn over the presentation to
13 Steve Maguin and he in detail will go over this report and
14 answer any questions you may have. Steve is the head of the
15 Solid Waste Management Department of the County Sanitation
16 Districts.

17 Steve.

18 MR. MAGUIN: Thank you, John.

19 Mr. Chairman, members of the Board. First, I'd like
20 to thank you for taking this item out of sequence for my
21 benefit. I appreciate the consideration.

22 One general thought, as we begin this discussion of
23 this fair share analysis, which is a difficult concept to
24 apply, if we were to think of a smaller county setting, small
25 county, one facility, it's a simple analysis of whatever area

1 one were to draw around the single disposal facility would
2 be -- you know, receive an inequitable share. The rest of
3 the county would be doing no part of its share. That's quite
4 simple.

5 The reason for this bill and its complexity is
6 because it's applied to Los Angeles County. It divvies the
7 county up into six major areas and it asks us to analyze what
8 fair approach could or should be taken in those six areas.

9 I'll go through the five areas that Mr. Smith
10 mentioned that the bill asked us to analyze and try to give
11 some insight as to how we came to the conclusions that the
12 report at this point comes to.

13 First, it asks us to develop information on
14 generation of -- waste quantity generations by region. The
15 six regions, as you know, are spelled out very clearly in the
16 bill. That was the simple part of the analysis. The report
17 does identify for you total waste quantities originating from
18 each of these six regions.

19 It's interesting to note that they are major areas.
20 Five of the six generate at least two million tons per year
21 each; and the six, of course, add up to something in excess
22 of 14 million tons a year.

23 The second part of the bill we did not accomplish.
24 That was asking us to define the amount of disposal within
25 those regions. That is complicated and I know there's been

3
1 some issue raised about why didn't we define the amount of
2 waste disposed of in each region.

3 Many of these regions are identified by
4 topographical features, ranges of hills or mountains. As you
5 know, in this industry disposal sites typically are placed in
6 ranges of hills or mountains.

7 This results in the fact that several of the major
8 disposal facilities in L.A. County lie in the boundaries
9 between the regions identified in the bill. Case in point,
10 our Puente Hills Landfill lies in the defined boundary
11 between the San Gabriel Valley region and the southeastern
12 region. Which region should be credited with the existence
13 of the --

14 BOARD MEMBER BREMBERG: Scholl Canyon is the way.

15 MR. MAGUIN: Same with Scholl Canyon, same actually
16 with the privately owned and operated North Valley Landfill,
17 which lies right in the boundary between two of these
18 identified regions. That complicates, if not eliminates, the
19 possibility of identifying the amount of disposal by region.

20 The bill -- in the development of the bill itself,
21 that issue was discussed and you'll see that later in the
22 bill Assemblywoman Tanner included the option to our two
23 agencies to, as an alternative, to approach disposal by a
24 waste shed analysis, which is the approach we did take;
25 reasonable waste sheds around each of these existing disposal

1 facilities. And that information is included.

2 It does make it difficult to do a one-to-one
3 comparison. This region produces 2.5 million tons, but we
4 really can't tell you how much is disposed of within that
5 region because of this boundary condition.

6 We can tell you though, by applying the waste shed
7 analysis, which regions either cannot or are not doing what
8 amount of fair share contribution they can. For example, the
9 south bay region of Los Angeles County has no additional
10 landfill capacity. It's clear that it is not doing its fair
11 share. But when you couple that information that what
12 landfill capacity has been exhausted, couple that with the
13 analysis on landfill diversions, which say that all of the
14 landfill diversion techniques as we now know them applied to
15 the Los Angeles County waste stream would only divert 50
16 percent of the waste stream, adding those two factors
17 together, it's simple to understand that the south bay cannot
18 achieve management of at least 75 percent of its waste
19 stream.

20 It's also easy to look at an area like the one
21 identified as Central and Western Los Angeles County, where
22 landfill capacity does exist, but has not been permitted;
23 that there are regions which may be capable of doing more
24 towards fair share, but are not.

25 The third directive of the bill was to, where we did

1 identify areas that were not doing a fair share, to identify
2 means of providing for more equitable distribution of
3 landfill sites to mitigate the problem.

4 I'll refer to previous discussions I've had with
5 your Board on actions underway in Los Angeles County among
6 the County of Los Angeles, the City of Los Angeles, and the
7 Sanitation Districts which has resulted in identification of
8 new landfill capacity, and efforts are underway to move
9 forward on developing that new landfill capacity in Los
10 Angeles County.

11 It will not result in a perfectly equitable
12 distribution, even if we get all those sites developed. But
13 every additional site we add to the capacity in Los Angeles
14 County will make that distribution more equitable than it is
15 today.

16 The fourth item that Ms. Tanner's bill asked us to
17 address was to discuss the impacts of the environmental,
18 social, political impacts of this inequitable distribution.
19 The report does do that. We do address the environmental
20 impacts such as traffic and air. I think the presentation in
21 the report is self-explanatory.

22 Other impacts have been raised. What about property
23 value impacts for a region or area that has too much waste --
24 in someone's view, too much waste coming to it?

25 We do site in the report that through various siting

1 activities we have taken on a number of privately conducted
2 property valuation studies, with the basic issue being what
3 happens to property values when a landfill is sited in an
4 area. Consistently, those privately-conducted studies have
5 concluded that a well-operated landfill does not have an
6 impact on property values. So we do try to address at least
7 that issue of the property value.

8 The last directive of the bill was to assess the
9 feasibility of diversifying the solid waste management
10 methods to minimize the environmental impacts of an
11 inter-county export/import situation.

12 We do go through a great deal of effort in the
13 report to discuss the advantages of recycling and local
14 diversion of green waste. Any degree of diversion away from
15 landfills will have a one-for-one relationship on minimizing
16 the cross-county transport of waste for disposal and does
17 have a commensurate advantage in terms of reducing both air
18 impacts and traffic impacts.

19 That is a very brief nutshell summary of what we've
20 tried to do with the report in addressing the issues in
21 Assemblywoman Tanner's bill. We do anticipate working
22 further with your staff in terms of incorporating your
23 comments, your staff's comments, and returning quickly with a
24 final version of this report.

25 I'll be glad to address any questions that I have

1 failed to anticipate.

2 BOARD MEMBER BREMBERG: Mr. Chairman.

3 CHAIRMAN ROODZANT: Mrs. Bremberg.

4 BOARD MEMBER BREMBERG: I think you ought to include
5 a copy of that Daily News article showing the houses being
6 built near Lopez Canyon when people talk about property
7 values and landfills when they changed the zone in order to
8 permit residences within 500 feet of a working face of a
9 landfill. I think that that ought to -- and people are
10 lining up and taking lottery chances to have the opportunity
11 to buy one of those houses.

12 I think that's a false red flag that's raised, and I
13 also think that it really doesn't matter whether we know it's
14 factual or not, the perception is -- and a great many
15 politicians will use -- and newspaper reporters and anybody
16 else that wants to, the Will Bacas of the world -- to wave
17 that flag. And by printing it in the paper and reporting it
18 on news broadcasts, it gives it credibility. So it really
19 doesn't matter what reality is.

20 I think that's one of the most serious problems that
21 we face in our community. Just Monday night there was a
22 homeowners -- the Glenn Oaks Canyon Homeowners Association.
23 And they are ready to take signs and march because somebody
24 somewhere in a newspaper said that we were going to open the
25 roads and drive the trucks up Glenn Oaks Canyon to Scholl

1 Canyon Landfill. And that was Mr. Alatorre's comment when we
2 eliminated Los Angeles City from Scholl Canyon and he said,
3 well, let them drive up the neighborhoods.

4 It was a statement in a newspaper several months ago
5 and now suddenly it's become the gospel that that's what
6 we're going to do, and they were ready to hang us all out to
7 dry because we were going to do that. There it's one
8 statement in a newspaper and the perception builds and builds
9 and builds and suddenly we're all villains. But it gets back
10 down to they aren't willing to stop making trash.

11 But I really think that you're a little soft on your
12 report. I think you probably were politically expedient, but
13 I don't think you laid it out quite as tough as it really
14 should be. Because there's no ifs, ands, or butts about it;
15 nobody in the world in Los Angeles is going to vote for a
16 landfill. They don't care. You can name every canyon in the
17 county and the Public Works Department will agree with you
18 and everybody else will agree with you. And when push comes
19 to shove, every one of them are eliminated. So the fair
20 share becomes an exercise in futility.

21 BOARD MEMBER BEAUTROW: Mr. Chairman.

22 CHAIRMAN ROODZANT: Mr. Beautrow.

23 BOARD MEMBER BEAUTROW: A couple of points, Steve.
24 And I mean to be constructive.

25 This is on page 215. "Similarly, in regions

1 currently not providing for any solid waste disposal options,
2 refuse-to-energy should be seriously considered as a means of
3 reducing the exportation."

4 You think that isn't going to raise another red
5 flag? I mean, we've gone through all of that down there, and
6 the people simply are not willing to accept it.

7 So here this is one of the options that you're
8 suggesting. We all know that it's just that, it's an option.
9 But I think that the whole section on the recommendations
10 needs to be much clearer and succinct.

11 What you're saying is that you've given the
12 justification for not being able to determine whether this is
13 equally distributed or not because these facilities lie on
14 waste shed boundaries. And I think that it's just got to --
15 you've got to be more explicit and try to explain better in
16 the recommendations section about -- you know, the bill asks
17 for a certain thing and you're -- I might say you're skating
18 around it.

19 You're explaining that it's difficult to attain or
20 to come up with conclusions on this because of the -- it's
21 just so complicated, and you're suggesting we ought to use
22 all of the tools at hand like recycling and resource
23 recovery, waste-to-energy, and that you cannot site new
24 landfills in these areas.

25 I don't know, it seems like we've got a piece of

1 legislation here which is -- there's an impossible answer to
2 it. I think we've got to try better to explain that. And it
3 doesn't come across to me that that's done. Okay?

4 MR. MAGUIN: Well, Mr. Beautrow, I understand your
5 comment. But the same comment could be applied to just about
6 all the issues. Mrs. Bremberg just pointed out that in some
7 communities there's no realistic chance of siting an
8 available landfill. You point out that we, as much as
9 anybody, demonstrated over the last three years that at this
10 point in time it's politically unacceptable to develop
11 waste-to-energy in Los Angeles County.

12 It's being demonstrated right now that even
13 something as apple pie an issue as recycling in cities is
14 having a very tough time to go because of the political
15 ramifications of inconveniencing and charging people to
16 implement recycling.

17 I could go on and on in each of these alternatives.
18 They all have their drawbacks. I don't know anything about
19 waste management that is easy to implement. But at the same
20 time, in terms of the context of the bill, what areas are
21 providing their share of landfill capacity, and of those that
22 are not, what can be done about it, I think it's important to
23 point out for those areas that are not providing their
24 capacity and cannot, that they need to be the most aggressive
25 in pursuing those tough-to-implement alternatives. I group

1 in that category the composting and recycling and even
2 consideration of waste-to-energy.

3 BOARD MEMBER BEAUTROW: Steve, I know you've heard
4 this before, and it's not my idea, but is there any merit to
5 simply banning from the municipal landfills those components
6 like solid fill or concrete or, you know, asphalt, anything
7 that occupies this space that has almost become so valuable
8 that you can't quantify it?

9 I mean, is there any -- I know there's some of those
10 in the L.A. basin, the Nu-Way, you know, they take tires or
11 they take --

12 MR. MAGUIN: That's one point we went out of our way
13 to make. On one of the tables we demonstrated how much inert
14 material has already been segregated. I think we show
15 something like two to three million tons a year of inert
16 material that has been segregated so that it qualifies for
17 disposal of inert fills.

18 That was a conscious program through pricing.
19 Basically, in the old days inert material was favorably
20 treated price wise to encourage it to come to municipal
21 landfills.

22 We reversed that trend a number of years ago and
23 created the economic incentive to keep those loads pure so
24 that they would go to the Nu-Ways and the Chandler Pits and
25 not utilize the very valuable MSW capacity.

1 There is a very, very small amount of qualifying
2 inert material going to our MSW landfills today in Los
3 Angeles County. Very small.

4 BOARD MEMBER BEAUTROW: The other thing that you
5 didn't discuss at all was that we all in the industry know
6 that the pricing is going to drive the rubbish great
7 distances, literally. And this is not mentioned at all. But
8 this thing over which you have no control whatsoever is the
9 competitive pricing of landfills that will dictate that that
10 waste will go here or there, which is not something that can
11 be legislated.

12 MR. MAGUIN: Well, one of the most difficult aspects
13 of this -- and we got into this with your Board the last time
14 we discussed it -- is it's a series of snapshots, and what
15 conclusions you draw depends to a great degree on when you
16 snap the snapshot.

17 I agree pricing, hours, factors like that can affect
18 today the amount of sites a load of waste will bypass to get
19 to another facility. That could change tomorrow.

20 So it's difficult to really try to incorporate all
21 those very temporary conditions, because you end up with an
22 endless set of scenarios.

23 Superimposed in that, unpredicted closures of
24 landfills. Much more dramatic than whether a particular
25 landfill increases it's price a dollar or two, or opens up an

1 hour earlier in the morning.

2 All of these factors kind of overlay on the basic
3 picture of where's the capacity and where's the waste
4 generated. They're very valid factors, but extremely
5 difficult to incorporate in a study like this when they're so
6 subject to immediate change.

7 BOARD MEMBER BEAUTROW: My point is that we're
8 discussing it now, but you didn't mention that at all.

9 MR. MAGUIN: I agree. I understand your point.
10 I'll incorporate it.

11 CHAIRMAN ROODZANT: Mr. Moscone.

12 VICE CHAIRMAN MOSCONE: Steve, what's the feeling
13 about expanding existing sites down there? It certainly
14 would take the load off of some sites having almost an
15 immediate closure and all.

16 MR. MAGUIN: Well, Mr. Moscone, some time ago I came
17 and presented to your Board this joint report by the three
18 major agencies. And part of the recommendations spoke to
19 expansion of existing sites, as well as opening new and
20 developing recycling.

21 Since that presentation there have been action
22 plans, the follow-up. This was the basic layout of the
23 facts. And the three agencies have developed programs to
24 really move towards implementation.

25 The first to move was the County of Los Angeles.

1 The Board of Supervisors did approve that action plan. Our
2 boards are in the process of approving it. The City of Los
3 Angeles has initiated just this week their process of
4 approving the same plan.

5 It calls, again, in this order county-wide
6 implementation of recycling, major development of diversion
7 of green waste through composting or other means of
8 utilization, expanding all -- permitting of all available
9 landfill expansion.

10 Six of our existing landfills are expandable and
11 part of that action plan was to get the political support for
12 those expansions. And then the last major component, of
13 course, was to give us the authority to move aggressively on
14 permitting the six new major landfills which came out of the
15 most recent county-wide siting study.

16 So those are all components, and expansion was a
17 very big one.

18 CHAIRMAN ROODZANT: Any other questions or comments?
19 Thank you very much, Mr. Maguin.

20 MR. MAGUIN: Mr. Chairman.

21 CHAIRMAN ROODZANT: Before we go to lunch, the Chair
22 notes that there's other people on the agenda here today who
23 have traveled a great distance who may be inconvenienced
24 by --

25 Yes, sir?

1 MR. ORFANOS: Item No. 3.

2 CHAIRMAN ROODZANT: Item No. 3?

3 MR. ORFANOS: Imperial County.

4 CHAIRMAN ROODZANT: Is there any objection to
5 hearing that now?

6 Hearing none, we'll hear Item No. 3, Consideration
7 of Acceptance of the Imperial County Solid Waste Management
8 Plan Review Report.

9 MR. OLDALL: Yes, Mr. Chairman, this item will be
10 presented by Cy Armstrong of the Local Planning Division.

11 MR. ARMSTRONG: This is a short and straightforward
12 item, Mr. Chairman and Board members.

13 --oOo--

14 The Imperial County Solid Waste Management Plan was
15 originally approved by the Board in 1977. In 1985 a complete
16 revision was done of the plan, and in April of this year the
17 county, after reviewing their program, submitted a report
18 saying that they had not had substantially any change since
19 the last report and did not wish to revise the plan at this
20 time.

21 Imperial County is located in the southeastern tip
22 of the state adjacent to the Republic of Mexico. The
23 population of the county is about 106,000 people. There's
24 seven incorporated cities in the county, with El Centro
25 serving as the county seat. The economy of the county is

1 based mostly on agriculture and related industries.

2 The Board of Supervisors is ultimately responsible
3 for solid waste management in the county, and the County
4 Public Works Department has been designated to maintain the
5 county plan and also oversee the collection and operation of
6 the county's landfill. The County Health Department enforces
7 state and local solid waste disposal facilities.

8 The county disposal program is financed by a
9 combination of land use fees for the unincorporated areas,
10 per capita fees for the incorporated cities, and gate fees
11 for landfill users. Each source of revenue provides just
12 about one-third respectively of the fees needed to operate
13 the system.

14 The enforcement program is funded by fees charged by
15 the Health Department, and waste collection programs are
16 financed by a combination of users fees, permit fees, and
17 land use fees.

18 Nearly 100,000 tons of domestic and commercial waste
19 are generated in the county annually. There are two
20 franchised collectors providing collection for the cities of
21 El Centro, Imperial, and the unincorporated areas; while the
22 balance of the smaller cities provide their own collection
23 services.

24 Disposal needs of the county are served by ten
25 county and one privately-operated landfill.

1 Sewage sludge and septic tank pumpings are taken to
2 the Brawley, Calexico or El Centro Landfills for disposal.

3 If Board members care to turn to page 44 of their
4 packet, there's some more detailed information on the system
5 of landfills in the county, showing that capacity is adequate
6 for an indefinite period.

7 Litter programs are the normal -- Public Works,
8 Caltrans and people convicted of misdemeanors clean up county
9 roads and related areas.

10 Resource recovery in the county is accomplished by
11 somewhat of a unique process at the county landfills. There
12 are -- permitted salvagers or recyclers, in return for doing
13 litter clean-up work at the landfills, are permitted to
14 salvage whatever valuables they can as the wastes are
15 deposited.

16 So this turns out to be a service trade for another
17 service and saves the county money that they would have to
18 spend on policing and picking up litter at the landfill.

19 There are beverage distributors in the major cities
20 that buy aluminum cans, and a system of thrift stores in
21 Brawley and El Centro also operate recycling of used
22 furniture, clothing and appliances.

23 The enforcement of waste in the county is done,
24 again, as I mentioned, by the local Health Department, who
25 routinely inspects the solid waste facilities, inspections of

1 vehicles, and responds to citizen complaints.

2 There are several current issues in the county
3 program, which include the completion of the Calderon and
4 Subchapter 15 requirements at the landfills, a possible
5 expansion of the Brawley Landfill, and some discussion among
6 the county and adjacent counties for importation of waste
7 into the county from adjacent areas.

8 There have been several improvements in the county
9 system since the last plan was revised three years ago:
10 Installation of water quality test wells at the landfills,
11 introduction of better compacting equipment at the landfills,
12 and the larger landfills are now fenced and attended when
13 open to the public.

14 In summation, Board staff has reviewed the Plan
15 Review Report, reviewed the current Solid Waste Management
16 Plan, traveled to Imperial County to meet with local
17 officials, and visited some solid waste disposal sites.
18 Board staff has found that the county solid waste management
19 database, funding sources, and administrative
20 responsibilities have remained essentially the same. In
21 addition, there is adequate disposal capacity, and the
22 implementation schedule has been met.

23 Since little has really changed in the plan's
24 program since the last revision, Board staff agrees with the
25 county's position that a revision is not necessary at this

1 time.

2 If there are no questions from Board members of me,
3 we have with us today Mr. Harry Orfanos, Director of Public
4 Works for Imperial County, who will step up to make a
5 presentation and answer any questions you may have.

6 Harry, could you step up, please?

7 MR. ORFANOS: I'm right behind you.

8 MR. ARMSTRONG: Oh, here he is.

9 MR. ORFANOS: Good afternoon, Mr. Chairman, members
10 of the Board. I'm going to be real brief. It's going to
11 take me about 60 seconds to tell you what I want to say.

12 I do want to thank you for taking this item before
13 going to lunch so that I can catch the plane and maybe get
14 home before it's too late.

15 The Board of Supervisors did adopt this plan review
16 that we submitted to your Board and we're certainly hopeful
17 that your Board will take action today and accept your
18 staff's recommendation on it.

19 I do want to take the opportunity to thank your
20 staff for the assistance and the guidance they gave us in the
21 preparation of our submittal.

22 The only other thing I do want to say is reiterate
23 what your staff has stated, that we would hope that your
24 Board would accept the Imperial County Solid Waste Management
25 Plan Review Report as submitted by the County of Imperial.

1 Thank you.

2 If you have any questions, I'll certainly respond.

3 BOARD MEMBER BEAUTROW: I've got a quick one.

4 BOARD MEMBER BREMBERG: Just first. I agree with
5 your request.

6 But on page 45, I am extraordinarily curious as to
7 why a number of automobile dismantlers are located throughout
8 the county under the guise of recycling automotive parts,
9 most of which are sold in Mexico.

10 In a county of 106,000, how can they support a
11 number of automobile dismantlers without being in the
12 business of being a magnet for cars that are liberated from
13 their legal owners in L.A., Orange, Riverside, San Berdoo and
14 taken down there and under the guise of recycling shipped
15 across the border?

16 Our police department regularly informs us that that
17 is precisely what happens with stolen cars, that they are
18 driven very quickly to your county and cannibalized and
19 shipped out.

20 It is not your responsibility, but I would suggest
21 that I would really like to hear a report on how those
22 recycling centers are monitored.

23 MR. ORFANOS: I don't know that I can really respond
24 to what you're saying outside that I don't think our auto
25 dismantlers and part salespeople are dealing in those kind of

1 vehicles.

2 I think -- and I've lived there for a long time --
3 that most of those cars that are acquired by whatever means
4 and taken out of their area from their respective owners end
5 up in Mexicali or Tijuana and are dismantled on the other
6 side of the border. I don't think our folks are doing any of
7 that.

8 BOARD MEMBER BREMBERG: Well, how can you gather --
9 in a county of 106,000, how can you support more than one
10 automobile dismantler?

11 MR. ORFANOS: We have a large population in Mexicali
12 and there's a lot of old cars, and they buy just about any
13 part that's available from these auto dismantlers. They'll
14 buy anything.

15 BOARD MEMBER BEAUTROW: Quick one, Harry.

16 CHAIRMAN ROODZANT: Mr. Beautrow.

17 BOARD MEMBER BEAUTROW: The SCAG railroad study.
18 There's a Niland site, a potential site for rail haul of
19 waste, and Imperial County could be one of the recipients.
20 If and when that comes about, do you intend to deal with it
21 by an amendment to the CoSWMP, or how -- what are you going
22 to do about it?

23 MR. ORFANOS: Should that kind of a project become a
24 reality -- and I heard Los Angeles talk two presentations
25 this morning, one by a promoter and one by County San people

1 of how they're trying to approach their problems. Hopefully,
2 we won't have any of that rail haul stuff down in Imperial.
3 However, if that kind of a project is considered by the Board
4 of Supervisors, we would probably deal with it as a major
5 redo of the plan.

6 BOARD MEMBER BEAUTROW: Okay.

7 Move Resolution 88-24.

8 BOARD MEMBER GALLAGHER: Second.

9 BOARD MEMBER BREMBERG: Second.

10 VICE CHAIRMAN MOSCONE: On the question?

11 All in favor?

12 (Ayes.)

13 VICE CHAIRMAN MOSCONE: Opposed?

14 None. So ordered.

15 MR. ORFANOS: Thank you.

16 VICE CHAIRMAN MOSCONE: We will recess for lunch
17 until 2:15.

18 (Thereupon the lunch recess was taken.)

19 --oOo--

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1 aspect on these two bills, because it would create a fund of
2 about twenty-three and a half million dollars a year, of
3 which the Waste Board would get approximately five percent to
4 administer the program, as well as give out grants.

5 The language in the bill right now is under 13(a),
6 which means that this is a new tax, new surcharge, any way
7 you want to look at it. It would be one of those two things
8 on the people of the State of California.

9 So we're trying to incorporate some of the bottle
10 bill language from the Public Resources Code into these two
11 bills that would change the definition. Rather than it being
12 a tax, it would be for the health and welfare of the people
13 of the State of California.

14 So that remains to be done, and I'm in touch with
15 both authors' offices, as I've said, and we'd like to work
16 with them, because we feel these would be good programs for
17 the Waste Board.

18 Now I'd like to have Mr. Bagley -- did you want --

19 MR. BAGLEY: Sure.

20 MS. JACKSON: -- up next. Is that what you want --

21 CHAIRMAN ROODZANT: Mr. Bagley.

22 MR. BAGLEY: Fine. I just want to introduce John
23 Brewer so that he gets a good -- hopefully, a good send-off.

24 Mr. Chairman, gentlemen, I'm here as John's friend.
25 We happen to be his attorney, but I'm not his attorney today.

1 I don't need to be. I'm his friend.

2 I've known John for ten years or so. He's been in
3 the waste management and specifically in the tire shredding
4 and recycling business for about 20 years. He flew in from
5 Utah, which is his base, his headquarters, today to give you
6 a little presentation, and I'll let him do it.

7 Just a little more -- one sentence of background.
8 John is a civil and a mechanical engineer. He started off in
9 the steel business and developed an entire shredding machine,
10 if you will.

11 Since he's been in the business for 20 years, he's
12 got background that I believe and I think, Sherman, you've
13 seen some of the material -- Mr. Chairman, I should say --
14 that you believe that your Board will at least be interested
15 in some of his concepts, and that's why we are here today.

16 So, John, if you want to come up, sir. And the
17 meeting is yours, except the Chairman's in control.

18 CHAIRMAN ROODZANT: Sometimes.

19 MR. BREWER: Mr. Chairman, members of the Board.
20 Thank you so very much for inviting me here and allowing me
21 an opportunity to make a short presentation to you and tell
22 you a little bit about what I understand about the tires and
23 the tire problem and to offer my assistance to you in any way
24 that I can.

25 In that little packet that I gave to you, I want

1 you -- the reason that -- I gave you something interesting
2 there to show you that in November 1969 I was invited to the
3 State of California to attend a solid waste meeting that was
4 presented -- put together by Governor Ronald Reagan, who was
5 the honorable governor of California at that time.

6 I attended that meeting and participated in it and
7 was able to give some assistance not only to the committee at
8 that meeting, but also to Assemblyman Z'Berg's committee when
9 he was drafting the Solid Waste Act. I participated in
10 Assemblyman Z'Berg's staff and helped them and gave them
11 information regarding solid waste and also about tires and
12 solid waste.

13 During that time I had the pleasure shortly after of
14 meeting Mr. Moscone in San Francisco in the same area, in the
15 solid waste area.

16 I'm a holder of 34 United States patents in the
17 field of solid waste processing and machinery, specifically
18 aimed at tires; because although tires are not the greatest
19 portion of solid waste, it's become the single greatest
20 problem in solid waste.

21 I have 21 years' experience in that and I can tell
22 you two areas at the present time that you are concerned
23 with.

24 Number one, tires are being generated in the state
25 of California at the rate in excess of 23 million a year. I

1 agree with your solid waste analysis of that. The people
2 that your solid waste was working with in the Department of
3 Energy and the United States Environmental Protection Agency,
4 I worked with those people in the last 15 years to get
5 together the information that they have.

6 In California you already know the number of tires,
7 you already know the amount of tons that you have. But let
8 me tell you in just a couple of words something that I don't
9 think you have realized.

10 If all of the tires generated in the state of
11 California -- and this is a net, taking into consideration
12 your Modesto plant that uses approximately four million a
13 year. If you deduct that four million from it and take all
14 of your deductions, what you have left, if you shredded all
15 of those tires and you put them on a highway 50 feet wide,
16 one foot deep, that pile of tires would extend 72 and a
17 quarter miles. Every year that's how much tire you generate
18 in the state of California.

19 At the present time, outside of the Modesto plant,
20 you really and truly don't have any way of getting rid of
21 those tires. You have a few tires being used for
22 granulation. That's a very limited market. And I'm an
23 expert at that, because they use our shredders. In several
24 of the granulator companies, they use our shredders to shred
25 the tires prior to granulation. If you have some questions

1 on that, I'd be most pleased to answer them for you.

2 If those shredded tires are put in a landfill -- if
3 all of the tires in -- the net amount that's thrown away in
4 California is put in a landfill, each year you would use a
5 space 326 feet by 326 feet by 326 feet. It's like a cube of
6 a block of property. Every single year you throw away that
7 many in the state of California.

8 Now, I know that you knew the tons, but I didn't
9 think you had analyzed it in that manner. So I brought that
10 information to you today for your consideration.

11 In the packet that I gave you, I have a flier in
12 there. We also do contract shredding, and this is a new
13 service that we started offering this year. We have over 200
14 places in the United States that are interested in us doing
15 that shredding. We will go to those places on a contract
16 basis and shred those tires for those people, they will
17 dispose of them, and then it keeps them from having to spend
18 a half a million dollars or more for shredding equipment when
19 they just simply don't have enough tires to warrant spending
20 that kind of money. So we deliver on a contract basis per
21 ton.

22 We also are negotiating with several of the counties
23 in the state of California, including Los Angeles County and
24 San Diego County, and I think that we probably will have
25 shredders in both of those places before the end of this

1 year. Because they are taking steps right now to start
2 taking the tires and shredding them in those two places.
3 We're negotiating with them. They'll put it out for bid,
4 obviously. Because of our experience and equipment and so
5 forth, we think that we will wind up shredding the tires.

6 CHAIRMAN ROODZANT: Excuse me. What do they do with
7 the shredding material?

8 MR. BREWER: At this time, Sherman, they're going to
9 bury them. They're really isn't nothing to do with them.

10 I'm sure all of you are familiar with the Rialto
11 plant and the status of the Rialto plant. We've passed all
12 of our tests for the permits, we have all of our permits, and
13 we broke ground, and then we have some environmental lawsuits
14 that we're in the process of going through. By the end of
15 this year we will know whether we do or whether we don't
16 build a plant.

17 If we build that plant, that plant would take care
18 of half of the scrap tires that are generated in Southern
19 California, and you still have half that you're going to have
20 to find something to do with. Probably you're going to shred
21 them and bury them, because they're just simply too much of a
22 hazard health-wise and aesthetically to leave them stacked
23 the way they are now along the roads. They just create a
24 problem.

25 Shredding is a very short-term problem. You're

1 going to have to figure out something to do with the shredded
2 material. I would suggest until something comes along that
3 you bury it. Although you're short on landfill space, you
4 can bury shredded tires in an inert landfill space and leave
5 your good landfill space for your municipal solid waste.
6 Because tires do not deteriorate, they do not biodegrade and
7 so they don't present a problem. They're inert.

8 So if you bury them in an inert landfill, you'd be
9 safe. And they make good landfills, inert, if you shred
10 them, but not if you don't shred them.

11 For your information, something else that you may
12 not have heard before. But if you figured the amount of
13 space taken up in a landfill by one tire, one automobile tire
14 takes 1.4 cubic feet in a landfill. That's in its compressed
15 condition. A truck tire, on the other hand, takes up 7.4
16 cubic feet. And 15 percent of the tires that are disposed of
17 are truck tires.

18 Now, you have two methods of granulating tires. One
19 is called a cracker mill. That's where you have drums that
20 are encased in steel shelves and serated and you run the
21 shredded pieces of tires through and then you just continue
22 running them through until it grinds it up into granules, and
23 they screen it out and they use it for various places where
24 granules can be used.

25 Another method of granulation is cryogenics. That's

1 where you run the shredded material through a cryogenics
2 tunnel, which is liquid nitrogen, freeze it to subzero
3 temperatures, and then those materials are taken to a hammer
4 mill and run through a hammer mill, and they are granulated
5 through the hammer mill, and the parts that don't pass
6 through a screen go back again through granulators and they
7 are screened out and you have the granules.

8 Now, it's very expensive. I know you've all heard
9 about utilizing the granulated material for asphalt. Well,
10 if you used granulated tires for asphalt, your ultimate cost
11 will be approximately 50 cents a pound for the granules.

12 Now, the average tire weighs more than 20 pounds.
13 It weighs closer to 25 pounds. So you're talking about
14 between \$10 and \$12 a tire to dispose of your tires if you
15 granulate them. It's very expensive. And if you ungranulate
16 them, you can see how many miles of highway. You just simply
17 don't have enough highway to use the granulated material in
18 the whole United States. Because of the cost of it, it's
19 very limited.

20 The other processes you can use it in -- and your
21 own committee came up with -- this is your -- prepared by the
22 Assembly Office of Research. Used Tires: Health Hazard or
23 Economic Opportunity. And they were kind enough to send me a
24 copy of that. And I won't go through every one of them, but
25 you have 45 suggested uses on the back of that report for

1 using scrap tires.

2 But what the researcher failed to tell you is what
3 you have to do with that tire prior to using it in all of
4 those things. Ninety percent of those uses, you have to
5 granulate the tire. So you're talking about 50 cents a pound
6 for the granulated material by the time it gets to the
7 consumer, and it just simply is not economically feasible. A
8 small part, yes. Two percent, three percent of the used
9 tires can go to that. But at the present time raw material
10 is cheaper than your granulated material.

11 The automobile manufacturers quit using granulated
12 material about eight or nine years and got out of the tire
13 reclaim business because raw material, virgin rubber, is
14 cheaper than granulated rubber. And you can use the virgin
15 rubber, obviously, anywhere on the tire; where the granulated
16 rubber you're restricted in its uses.

17 Pyrolysis. I know that some of you witnessed a
18 pyrolysis test in Southern California, because I saw in the
19 paper where some of the members went down to see that.

20 Pyrolysis is nothing new. We probably have more
21 experience in pyrolysis than anyone in the United States. We
22 started it first, Firestone Tire started it second, and then
23 following that John Wayne funded a company in Southern
24 California and they ran a pyrolysis plant, demonstration
25 plant, for two or three years, and they found out it just

1 simply isn't economically feasible.

2 To pyrolyze a tire you need a surcharge of
3 approximately \$3.00 per tire to make it economically
4 feasible. Then if you cannot sell the carbon of the char
5 that you get from it, you have to dispose of it. It's very
6 difficult to dispose of that carbon of the char.

7 Yes, sir?

8 But it's very difficult to dispose of that char,
9 because it's non-absorbative. It won't absorb water. So you
10 can pour water on it. If you put it in a landfill and the
11 water goes through it and then -- it can lift up and get into
12 the atmosphere and create some real particle problems from
13 the particulates of it.

14 So the only thing you can really use at this time
15 feasible out of that is the oil. Price of oil, you get about
16 40 cents a gallon for it, and it's going to cost you about
17 \$3.00 a gallon to process it if the oil has to take the whole
18 thing.

19 So pyrolysis at this time -- now, we have patents on
20 pyrolysis, we have a pyrolysis plant operating on a
21 demonstration basis in Huntington, West Virginia at this
22 time. I can tell you that's as far as it's going to go until
23 oil gets around \$40 a barrel or \$50 a barrel; because it just
24 simply isn't feasible.

25 But I would suggest now another thing to you.

10

1 First, I need to tell you that the State of Ohio -- I was
2 back to the state of Ohio. They're considering legislation,
3 the same as you are here in the state of California.

4 They were thinking of putting a dollar a tire
5 surcharge on it. So we have business associates in Ohio and
6 I was invited to go back and attend this Senate committee and
7 give them some information on tires, as I'm doing here today.

8 I asked them why did they come up with the dollar a
9 tire. I said, what can you do with a tire for one buck? And
10 they didn't know. They just said, well, we were told that
11 you can dispose of it for a dollar a tire. I said, that's
12 right. You can dispose of it and you can't do anything else
13 with it. If you take a tire from the man who throws it away
14 and disposes of it and if you dispose of it properly, by the
15 time you handle it, shred it and bury it, it's going to cost
16 you a buck. You can't do anything else with it for that.

17 Now, if you really want to do something with the
18 tire, you need to throw three or four dollars a tire on it as
19 a surcharge, and you know what kind of screaming that's going
20 to bring from everyone. Still, what are you going to do with
21 it if you've gotten three or four dollars a tire? You're
22 going to probably create a product that there's no market
23 for. Again, you're going to be stuck with the end product.

24 Now, in Minnesota, I helped Minnesota put their bill
25 together. They have a tire bill and they did what they

1 thought was right, but I thought it wasn't. They started a
2 granulating business and gave a grant to the granulating
3 business, and it's in Northern Minnesota. And at this time
4 there is no market for the granules. So the tires are
5 stacking up. I'm sure some of you are aware of that.
6 There's no market for it.

7 So you can do all of these wonderful things. It's
8 like recycling, as an example. Mr. Moscone's background is
9 solid waste and Mr. Moscone and I both understand that it's
10 real wonderful to recycle that stuff if there's a market for
11 it. But if there's no market for it, then what you wind up
12 with is you have a landfill with nothing but glass in it, or
13 you have a landfill with nothing but rocks in it. Whatever
14 you're recycling, if there's no market for it, you're going
15 to go out to a dedicated landfill and bury just that.

16 So if you've got good markets, that's wonderful;
17 recycling is good. But the markets has to come with the
18 recycling.

19 As far as the assesment on the tire, what you put
20 on the tire, I really believe what you should do is create a
21 business atmosphere that's amenable to business coming in and
22 let business solve the problem and let me tell the tire
23 jockey how much he's going to pay me if I'm going to take
24 care of his tire and do something with it. Let me tell him
25 what he's going to have to do with it, but let the

1 Legislature tell him he's got to do something with it. He
2 just can't put it in a pile. You no longer can put a tire in
3 a pile. If you put it in a pile, we'll do something to you.
4 Then let the business people work it out.

5 Now, grants -- I heard the lady said that some money
6 would be available for grants. I told the Ohio
7 Legislature -- and, of course, this is just my opinion. With
8 few exceptions, here's what happens with grants: The grant
9 money is gone and the problems still there. I've seen that
10 all over the United States.

11 For 20 years we've been involved in this business
12 and I have never asked for five cents from any governmental
13 entity. We've done everything that we've done with private
14 money. All of the machines we've built, all of the research
15 and development we've built we've done it on private money;
16 because we know that under the proper business conditions, we
17 can make money at it.

18 So the only thing we want is a proper business
19 atmosphere. Create a proper business atmosphere. But tell
20 the guy he's got to get rid of it, whether it's garbage,
21 whether it's a tire, whatever it is, and let him figure it
22 out. He's going to come to me or he's going to go to my
23 competitor. And that's the way he'll get rid of it.

24 Now, the Modesto plant. We had our engineers check
25 into the Modesto plant last month. They've had it on

1 operation long enough now that they've checked the monitors.
2 And these people are competitors of ours, and I'm going to
3 have to say something nice about my competition now.

4 The emissions were immeasurable. Stanislaus County
5 told my engineers that they couldn't measure the emissions.
6 They were not changed as a result of that plant being there.
7 So, obviously, it's doing no damage by being there.

8 Yet they went through the same kind of problems that
9 we're going through at the present time at Rialto, and their
10 plant is built and their plant is operating and it's
11 operating successfully, and they have a couple of other
12 places in the United States, the same as we have, where
13 there's a chance for future plants.

14 Our process is different from theirs. Per kilowatt
15 hour our process will generate electricity as clean as
16 oil-fired power plants. Our power plant in Rialto, I put in
17 there a slip showing you about the recycling. We save
18 545,000 barrels of oil a year by the tires that we would use
19 in that plant in Rialto, California. We can take the
20 ashes -- and we intend to -- and manufacture high-grade
21 concrete building blocks which are superior to the present
22 building blocks, because we have lime in the ashes that we
23 use to remove the SO₂. So the concrete is better. And the
24 steel will be used to generate and manufacture high-grade
25 alloy steel. So we have nothing that's thrown away.

11
1 Chairman Roodzant -- I sent Chairman Roodzant a
2 movie, and I'm sure that he saw in that movie pictures of the
3 cinder blocks. I also sent him a movie on pyrolysis showing
4 our processes on pyrolysis. I'm sure Chairman Roodzant would
5 share that knowledge with you at your leisure and I won't go
6 into that now.

7 I think that's all I have to say, and I would be
8 most pleased to answer questions from anyone in the room, in
9 the audience or on the committee.

10 CHAIRMAN ROODZANT: Thank you, Mr. Brewer --

11 MR. BREWER: Thank you.

12 CHAIRMAN ROODZANT: -- for taking the time to inform
13 us today.

14 Mr. Beautrow.

15 BOARD MEMBER BEAUTROW: It's clear that you have
16 taken a -- specifically, your company's taken an opposed
17 position on this Clute bill, as well as the retailers in the
18 industry.

19 I guess the dilemma that we're faced with is
20 recycling. I mean, the whole idea of this is a recycling
21 bill for tires. And yours is an energy production.

22 I'm well aware of what you said about grants,
23 because we in fact did give grants to tire shredding outfits.
24 And I think -- was there an Ed's Tire Service? And then
25 there was the one in Sacramento here.

1 VICE CHAIRMAN MOSCONE: Ed Filbin.

2 BOARD MEMBER BEAUTROW: I don't know whatever
3 happened about it, but it certainly didn't make a big impact.
4 So there was evidence that we did give hard money to people
5 to do what this bill is saying, you know.

6 So I kind of agree with you about throwing one
7 dollar into this isn't going to really mean anything other
8 than we've got to separate this is conversion to energy on
9 equivalent footing with recycling.

10 I don't know, it's a hard nut. Here we are a piece
11 of legislation and we've got to deal with it.

12 MR. BAGLEY: Let me clarify one point, if I may,
13 Mr. Chairman.

14 CHAIRMAN ROODZANT: Mr. Bagley, will you identify
15 yourself for the record, please?

16 MR. BAGLEY: Yes, I should. As I identified myself
17 earlier, I'm the formerly Honorable Bill Bagley.

18 CHAIRMAN ROODZANT: You're still honorable.

19 MR. BAGLEY: Our firm has registered opposition to
20 the bill for a very, very singular and simple reason. In
21 that bill, Assemblyman Clute has a paragraph trying to
22 instruct -- it's actually in legislative intent, a paragraph
23 saying that the South Coast Air Quality Management District
24 shall not grant permits for combustion of tires.

25 That's our reason for the opposition. We just hope

1 to take that paragraph out of the bill.

2 MR. BREWER: There's another little thing I'd like
3 to add to what Bill just said. There is only one answer at
4 the present time for getting rid of scrap tires, and the
5 answer is using it as fuel.

6 Now, you know that they are shredding tires in
7 several places in California at the present time and selling
8 them as what's called tire derived fuel.

9 Now, let's just assume that every single tire that
10 you generated, the 17.5 net million tires that are generated
11 in Southern California, let's assume that every one of them
12 was shredded and used in, hey, 17 million places as tire
13 derived fuel.

14 The only thing you do is scatter the emissions in an
15 uncontrolled manner. Where if it's used in a power plant
16 that meets all of the regulations, it's in a controlled
17 manner and no one's going to be damaged by it. So you don't
18 want it to get out and be used in an uncontrolled manner.
19 Control it.

20 You have some of the best engineers that I've had
21 the pleasure of meeting in the State of California. The
22 California Department of Health Services sent one of their
23 doctors down when we were having our hearings and he said
24 that our plant power was a clean plant.

25 I won't get into that, because I know your time is

1 limited. But we passed all of the regulations, we have all
2 of our permits. And all of the permits say that this plant
3 is a clean plant, that it will do nothing damaging to anyone,
4 and it will serve the purpose of getting rid of the tires.
5 And at this time there is no other method of doing it
6 anywhere in the United States except simply using it for
7 fuel.

8 But I warn you and I beseech you and ask you, be
9 sure it's done on a controlled basis, not on an uncontrolled
10 basis. Do it on a controlled basis like your Modesto plant.
11 Or if we build this plant in Rialto or if you build one in
12 San Diego, make it on a controlled basis, make them meet the
13 toughest regulations that you can come up with. And that
14 includes me. Because we can meet the regulations. If we
15 can't, close the plant down. Because we're the ones at risk.

16 But at this time that's the only answer, to get rid
17 of them.

18 CHAIRMAN ROODZANT: Any other comments or questions?
19 Thank you very much, Mr. Brewer.

20 MR. BREWER: Mr. Roodzant, members of the Committee,
21 Mr. Chairman, thank you so very, very much for giving me some
22 of your valuable time.

23 CHAIRMAN ROODZANT: Thank you.

24 Did you have any more tire legislation today?

25 MS. JACKSON: Just the two bills, Mr. Chairman.

1 CHAIRMAN ROODZANT: If there's no opposition, we
2 have some guests from out of town here that are here on other
3 matters and we'll defer the rest of the legislative item to a
4 later time.

5 Next item is 4, Consideration of Approval of San
6 Francisco County Solid Waste Management Plan Revision.

7 MR. OLDALL: Yes, Mr. Chairman, this particular item
8 will be presented by Michael Leacon, who's now the analyst
9 assigned to this particular county.

10 MR. LEACON: Mr. Chairman, Board members, on
11 June 18, 1987 the Board accepted the San Francisco County
12 Solid Waste Management Plan Review Report.

13 --cOo--

14 At that time the Board directed the county to revise
15 its plan in the areas indicated on page 58 of your agenda
16 packet.

17 Preliminary draft of the plan revision was received
18 by the Board on February 4, 1988. Staff reviewed and
19 commented on that document -- the Board had commented -- to
20 the county.

21 On April 25, 1988 the County Board approved the plan
22 revision and at that time certified the negative declaration
23 for the revision.

24 The 20 copies of the final plan revision were
25 received by the Board on May 11, 1988.

1 In regard to county characteristics in the existing
2 solid waste management system, San Francisco has a
3 consolidated city/county government, with a mayor and a board
4 of supervisor structure.

5 San Francisco encompasses 45 square miles of land.
6 Most of this land is hilly terrain, except for the bay front,
7 which is flat, and much of the bay front is historic fill.

8 The population of the county is approximately
9 736,000. The county currently generates approximately
10 1,073,000 tons of waste annually. This includes
11 approximately 100,000 tons of sludge.

12 Collection is provided by Golden Gate Disposal and
13 Sunset Scavenger Companies. These two companies are now
14 owned in common by Norcal Solid Waste Systems, Inc. In
15 addition, Bay Cities Refuse Company collects a small amount
16 of waste from the Presidio.

17 The vast majority of waste collected in San
18 Francisco is sent to the San Francisco Waste Transfer and
19 Recycling Center. This transfer station is owned by the
20 Sanitary Fill Company.

21 From here waste is processed through the transfer
22 station and hauled a distance of approximately 60 miles to
23 the Altamont Landfill in Alameda County. Annually, the
24 county landfills approximately 833,000 tons of waste, the
25 vast majority of this going to the Altamont Landfill.

1 San Francisco has a 65-year or 15-million-ton,
2 whichever comes first, waste disposal agreement with Alameda
3 County. In addition, this includes for the disposal 130,000
4 tons per year of sewage sludge. At the current recycling
5 rate and the current waste generation levels, this gives the
6 county approximately 17 years of disposal capacity.

7 The county is currently diverting from the landfills
8 approximately 25 percent of its waste stream. The county has
9 set recycling goals of 25 percent -- excuse me, 32 percent by
10 1992, 40 percent by 2002, and 43 percent by 2012.

11 --oCo--

12 Significant revision features include the following:
13 In January of 1988 the county and the Sanitary Fill Company
14 jointly established a household hazardous waste drop-off site
15 at the transfer station. This project is currently operating
16 as a pilot program and its success will be evaluating after
17 one year's operation.

18 To obtain a 32 percent recycling goal by 1992, the
19 county has -- the plan revision recommends that the county
20 set up a composting task force and that curbside recycling be
21 established for residential units. In addition, as
22 previously mentioned, the county has established a 43 percent
23 recycling goal by the year 2012.

24 Other notable revision features include development
25 of a landfill contingency plan with another Bay Area landfill

1 in case disposal is curtailed or eliminated at the Altamont
2 Landfill.

3 In addition, the plan revision recommends that the
4 county evaluate the need for a mandatory recycling ordinance
5 and that the county explore alternatives to current sludge
6 disposal methods. Some of these alternatives include
7 composting, incineration, and increased land spreading.

8 In regard to staff's evaluation of the plan
9 revision, Board staff has reviewed the plan revision in
10 regard to the state policies, planning guidelines and
11 revision areas identified by the Board and the county in the
12 Plan Review Report and in regard to recent changes in the
13 Government Code.

14 Staff has concluded that the plan revision complied
15 with the procedures for preparing, revising, and amending
16 County Solid Waste Management Plans, and that the county has
17 adequately addressed the areas addressed in the Plan Review
18 Report.

19 As required by the Government Code, the county has
20 more than eight years' disposal capacity, is currently
21 recycling more than 20 percent of its waste stream, has
22 identified disposal sites for asbestos waste, and has
23 implemented a pilot program for the collection of household
24 hazardous wastes.

25 In summary, the staff concludes that the plan

1 revision addresses the waste management issues faced by the
2 county and that the document should provide the necessary
3 direction for managing county waste.

4 Therefore, staff recommends that the Board adopt
5 Resolution No. 88-31, approving the San Francisco County
6 Solid Waste Management Plan Revision.

7 Mr. Chairman, Board members, this concludes my
8 presentation. At this time I would like to introduce
9 Mr. Joe Johnson, San Francisco Solid Waste Management Program
10 Manager, who is here today to make some brief remarks
11 regarding the plan revision and to answer any questions the
12 Board may have on the revision. Thank you.

13 MR. JOHNSON: Vice Chair Moscone, members of the
14 Board. Thank you for this opportunity to address you. I'd
15 like to make just a few brief comments to you.

16 First, when the plan preparation was undertaken by
17 the city's Solid Waste Management Program, which is within
18 the Office of the Chief Administrative Officer, the plan was
19 prepared with input from a committee formed to assist us in
20 the preparation of the plan; which included community groups,
21 environmental groups, members of industry, representatives
22 from the region, and, of course, representatives from the
23 local solid waste management companies.

24 The plan was reviewed by various city departments,
25 including Public Works, Health Department, City Planning,

1 other agencies, and, of course, it was reviewed by the
2 public.

13
3 Two public hearings were held, one on April 14th and
4 the second one was April 25th. And, as Mr. Leason pointed
5 out, the Board adopted the plan, the San Francisco Board of
6 Supervisors, on April 25th.

7 We've worked hard to try to assure that this plan
8 addresses San Francisco's solid waste management needs in the
9 area of collection and disposal, waste minimization, and
10 resource recovery and all that that includes, that being
11 recycling, looking at waste-to-energy, and also addressing
12 composting.

13 Mr. Leason spoke of our recycling goals, which we'
14 consider to be ambitious, but certainly attainable. We have
15 attained the 25 percent goal that we had hoped to reach by
16 this point and feel assured that we can meet the goals
17 outlined in the plan through implementation of curbside
18 recycling, material recovery at the transfer station,
19 composting, and continuation of those solid waste management
20 techniques that are currently serving San Francisco so well.

21 I feel that this document serves as a valuable
22 blueprint for where San Francisco needs to go to provide
23 economic, efficient and reliable solid waste management to
24 the citizens of the city, and I'd just like to thank your
25 staff for their assistance in putting together this plan and

1 helping us to crystalize the issues that we have to address.

2 If you have any questions, I'd be glad to respond to
3 those.

4 VICE CHAIRMAN MOSCONE: Joe, in totaling out all the
5 recycling, are you including all of the stuff that is not
6 collected by the two companies, but is stolen from the two
7 companies?

8 MR. JOHNSON: Well, there isn't a particular
9 category for theft.

10 VICE CHAIRMAN MOSCONE: I'm only saying this
11 because, actually, your recycling may be higher than that
12 because of the fact that some of -- you're going on stuff
13 that you can measure. Unless you go to IPS or some of the
14 other paper houses in the area, in the Bay Area.

15 There's an awful lot -- and I get a little angry and
16 a couple times I almost had my -- took the chance of having
17 my head bashed in. Some of these guys would go around and
18 pick up the cardboard in front of the stores and all of that
19 in front of some of the commercial accounts.

20 I suppose that I could get an idea of what the
21 tonnage would be by going down to IPS and asking what comes
22 over the scale down there. But every time I go down there, I
23 forget to do that.

24 MR. JOHNSON: If I might just respond.

25 The way that the recycling information was --

1 recycling level was ascertained was to poll the markets in
2 the area to see what they were receiving and to ask them to
3 break out what they considered the percentage from San
4 Francisco. Because not all of the waste is taken to
5 recycling businesses within the city. A lot of it does -- a
6 lot of the recyclables -- excuse me, not the waste. A lot of
7 the recyclables go to the surrounding counties.

8 So we did try to get a feel for the entire recycled
9 stream from the city.

10 VICE CHAIRMAN MOSCONE: In setting up or studying
11 composting and setting up a task force, is it the intention
12 to think about composting greens? I don't think you're
13 intending to try to compost solid waste; is this true?

14 MR. JOHNSON: The task force will look at the
15 possibility of composting material coming from parks, yard
16 waste, possibly sludge. But at this point they are not
17 focusing on composting of municipal solid waste.

18 VICE CHAIRMAN MOSCONE: Are there any other
19 questions of Mr. Johnson?

20 Thank you, Joe.

21 MR. JOHNSON: Thank you.

22 BOARD MEMBER BREMBERG: Mr. Chairman, I would move
23 Resolution 88-31.

24 BOARD MEMBER GALLAGHER: Second.

25 VICE CHAIRMAN MOSCONE: I don't think that the fact

1 that I'm from San Francisco, I don't think that I -- I don't
2 know whether someone might consider that I have a vested
3 interest, but I don't feel that I do. I pay my garbage bill
4 like everybody else and I don't derive anything from it, at
5 least not anymore.

6 So there are only five and this requires a majority,
7 so I think that I am required to vote. So all in favor of
8 the motion.

9 (Ayes.)

10 VICE CHAIRMAN MOSCONE: Opposed?

11 None. So ordered.

12 MR. JOHNSON: Thank you.

13 VICE CHAIRMAN MOSCONE: Are we to get back to
14 legislation, or what is the --

15 EXECUTIVE OFFICER EOWAN: I think, Mr. Chairman, we
16 can move to Item No. 5, Status of County Solid Waste
17 Management Plans.

18 MR. OLDALL: This regular item will be presented, as
19 usual, by Mr. George Larson, Manager of the Local Planning
20 Division, as well as the Resource Conservation Division.

21 --oOo--

22 MR. LARSON: Mr. Vice Chairman, members, this is our
23 recurring item reporting to the Board on the status of all
24 County Solid Waste Management Plans in the state.

25 I would direct your attention to the slide to

1 highlight the key issues, and I'll make the corrections for
2 the actions just taken by the Board to approve the San
3 Francisco County Solid Waste Management Plan.

4 Today we have 51 CoSWMPs current and complete in
5 this state. Alameda's CoSWMP revision was partially
6 approved, and we anticipate the resubmittal date
7 August 4, 1988.

8 Five CoSWMPs are currently delinquent. This is
9 compared to 31 in 1985, for a reference baseline. The San
10 Francisco CoSWMP, of course, was just approved.

11 In updates of delinquent CoSWMPs, the Contra Costa
12 and the Kern County CoSWMPs have been referred to the
13 Attorney General's Office for action to require the submittal
14 of the delinquent CoSWMP from those two counties.

15 --oOo--

16 I'd like to indicate, too, that the Solano County
17 CoSWMP, we've been in close contact with the county, and the
18 plan has been approved by the County Board of Supervisors.
19 Called the staff of the county this morning, and the action
20 that the county was awaiting was the approval by the City of
21 Fairfield of the plan, which that vote was taken on Tuesday,
22 it was approved. We expect to receive that plan within the
23 next five days.

24 Two other counties, Humboldt and San Francisco
25 (sic), were both due on May 12th of this year. It has been

1 indicated from Humboldt County that they would be submitting
2 a plan. However, it has not been received yet.

3 We have information from the staff of Sacramento
4 County that they plan to submit the delinquent CoSWMP on
5 August 20th of this year. I would seek the Board's guidance
6 as to the action to be taken related to the referral to the
7 Attorney General's Office on those two counties today.

8 I would -- for information of upcoming events in
9 terms of submittal of Plan Review Reports, on page 67 of the
10 packet we have considered the Imperial Plan Review Report and
11 the need not to revise the plan at this meeting. We expect
12 the Amador County Plan Review Report to be submitted at the
13 end of this week.

14 For all of the Plan Review Reports that are due in
15 June, which are items 9 through 12, Santa Cruz, Nevada,
16 Shasta, and El Dorado, we expect those Plan Review Reports to
17 be submitted in a timely manner during the month of June.
18 And, incidentally, Ventura has also assured us that their
19 Plan Review Report will be submitted in July as scheduled.

20 This is an information item for the Board. We'd be
21 pleased to respond to any questions. Again, we'll seek the
22 Board's guidance on actions to be taken in the case of
23 Humboldt and Sacramento County delinquent plans.

24 VICE CHAIRMAN MOSCONE: Any questions?

25 BOARD MEMBER BEAUTROW: Well, in keeping with our

1 past concern of this, I thought we kind of gave a blanket --

2 MR. OLDALL: No.

3 BOARD MEMBER BEAUTROW: No? Okay. We didn't give a
4 blanket. I would --

5 EXECUTIVE OFFICER EOWAN: Excuse me, Mr. Beautrow.
6 You did make a very clear policy on referring the CoSWMPs to
7 the Attorney General. In that respect you're correct. But
8 we do like to bring it to your attention before we actually
9 send the letter.

10 BOARD MEMBER BEAUTROW: It looks like Humboldt
11 County -- they were both due on 5/12, and Humboldt says that
12 they anticipate 7/31; and the other one, Sacramento, is
13 11/20. So there's a real disparity in when they think
14 they're going to get them in.

15 MR. LARSON: Yes, I'd like to point out, too, that
16 the 11/20 date is incorrect. It's 8/20. It does say 11/20
17 in the item, but that's August of this year rather than
18 November.

19 BOARD MEMBER BEAUTROW: Well, you brought it to our
20 attention, and I would reiterate that you should carry out
21 the policy and so notify the AG. I don't know that it takes
22 a vote.

23 EXECUTIVE OFFICER EOWAN: No.

24 MR. LARSON: No.

25 BOARD MEMBER VARNER: That policy is consistent.

1 VICE CHAIRMAN MOSCONE: Mr. Gallagher.

2 BOARD MEMBER GALLAGHER: I was going to try to
3 accomplish exactly what's been accomplished. Great.

4 VICE CHAIRMAN MOSCONE: Item 6, Consideration of
5 Determination of Conformance and Concurrence in Solid Waste
6 Facilities Permit for the Idyllwild Transfer Station,
7 Riverside County.

8 MR. IWAHIRO: Mr. Chairman, this is another one of
9 those two-part types of actions by the Board to find the
10 conformance with the county plan and concurrence with the
11 permit that is to be issued for the Idyllwild Transfer
12 Station in Riverside County.

13 Don Dier and John Smith from our staff will be
14 presenting this.

15 MR. SMITH: Mr. Vice Chairman and members, I will be
16 presenting the information on the environmental document that
17 was prepared for this project, and I will discuss the first
18 action that will be taken by the Board, the determination of
19 conformance to the plan.

20 The County of Riverside prepared an EIR and a
21 supplemental EIR for this project. As required by CEQA, they
22 identified potential significant impacts for that project.
23 Those included dust, vehicular emissions, potential for fire,
24 unsightly operations.

25 The County of Riverside in that document

15
1 incorporated a number of mitigation measures to significantly
2 reduce those impacts. Those mitigation measures included
3 such things as the use of diesel engines instead of
4 gas-operated engines for the construction of this site,
5 strict compliance with Air Board and our Board's standards
6 for control of dust, an on-site fire suppression system,
7 periodic litter clean-up, and landscaping.

8 Also, as required by CEQA, the county was required
9 to look at alternatives to the project. The alternatives
10 that were looked at, in addition to the establishment of this
11 site, included other locations for the transfer station and a
12 replacement landfill.

13 The county concluded that the establishment of this
14 transfer station on the current landfill site would be the
15 best alternatives in that it would allow the least
16 environmental damage.

17 Staff has reviewed the environmental document and
18 found that it is adequate and appropriate for this project.
19 Turning to the first item on the facility -- the
20 Determination of Conformance.

21 As required by our Board procedures, the county
22 filed a Notice of Proposed Facility with this Board. The
23 County Waste Department, the agency responsible for the
24 County Solid Waste Management Plan, also found the facility
25 in conformance with the plan.

1 Since all local findings have already been obtained
2 for this project, it is now appropriate for us to consider
3 the Determination of Conformance.

4 Staff has evaluated the conformance of this project
5 with the four Board-established criteria. Those include the
6 project's consistency with state policy, its consistency with
7 the CoSWMP policies and goals, consistency with the
8 facilities element of the County Solid Waste Management Plan,
9 and its consistency with local procedures.

10 Based on that evaluation of those criteria, staff
11 has found that the project is consistent with all four.

12 If there are no questions about conformance, I'd
13 like to turn the presentation over to Don Dier, and he will
14 go over the permit requirements.

15 MR. DIER: Mr. Chairman, members. The Riverside
16 County Waste Management Department filed an application for a
17 small-volume transfer station. I'd just like to refresh
18 everyone's memory that a small volume transfer station by
19 definition in our regulations is one that receives no more
20 than 100 cubic yards of waste in any operating day. On that
21 basis the permit was prepared and submitted by the Local
22 Enforcement Agency for the small volume status.

23 At the time we prepared the agenda item we had not
24 received the permit. We subsequently did receive it on
25 May 31st and we do have copies available if you wish to take

1 a look at it.

2 I just wanted to bring to your attention though that
3 there was language put in the permit limiting receipt of
4 waste to 100 cubic yards per day.

5 The application that was filed indicated they
6 anticipate receiving approximately 80 cubic yards. But to
7 allow for a little growth and any changes that might occur,
8 it's been our policy in putting language in permits to try
9 and maximize the amount of capacity available. So we just,
10 in small volume permits, unless there's overriding
11 considerations, we advise the Local Enforcement Agencies to
12 limit them to 100 cubic yards per day. That way they can
13 operate anywhere up to 100 without a problem.

14 The applicant also submitted a plan of operation,
15 which is required for a small volume transfer station. The
16 information in it was considered adequate.

17 Staff has reviewed all the material, and everything
18 appears to be in order. Staff concurs with the Local
19 Enforcement Agency's finding with regard to consistency with
20 the solid waste plan and the county general plan, and staff
21 believes this site can be operated in compliance with our
22 state minimum standards.

23 On that basis, staff recommends the Board adopt
24 Determination of Conformance No. 88-5 and Permit Decision
25 No. 88-29.

1 VICE CHAIRMAN MOSCONE: Mr. Gallagher.

2 BOARD MEMBER GALLAGHER: I'm prepared to make a
3 motion to move the items, Don. But as a practical matter,
4 how do they determine whether or not they're in conformance?
5 When you have a cubic-yard-per-day thing, the Enforcement
6 Agency certainly can't be there every day. Is there some
7 kind of a measuring process they have to assure conformance?

8 MR. DIER: Yes. The Local Enforcement Agency
9 includes in the permit under the monitoring section of the
10 permit the requirement for quarterly reports to be submitted
11 to indicate the volumes of waste received.

12 BOARD MEMBER GALLAGHER: So they are in fact
13 policing themselves by having to make this report.

14 MR. DIER: They are policing themselves on a
15 quarterly basis. In addition, the facility is subjected to
16 periodic inspections by both the local staff and our own
17 Board staff under our state inspection program.

18 BOARD MEMBER GALLAGHER: Thank you.

19 BOARD MEMBER VARNER: Mr. Chairman.

20 VICE CHAIRMAN MOSCONE: Mr. Varner.

21 BOARD MEMBER VARNER: My question is very much like
22 John. When it says 70 six-yard containers, that's 420 cubic
23 yards.

24 MR. DIER: That's correct.

25 BOARD MEMBER VARNER: Why so many? You know, I

1 would wonder why -- don't they have to move this every day?
2 They can't accumulate this stuff, can they?

3 MR. DIER: Under the small volume regulations, they
4 can leave the material up to a week.

5 BOARD MEMBER VARNER: Is that right?

6 MR. DIER: However, in this particular instance they
7 do intend to move the material daily, except for holidays and
8 Tuesdays. They're closed on Tuesday. They operate from
9 Wednesday through Monday. This particular facility will in
10 fact -- does intend to remove daily.

11 The six-yard bins, it's my understanding, were
12 utilized so that they could be easily handled by a front-end
13 loader rather than a large roll-off. Then the material goes
14 into the packer and off to Lamb Canyon Landfill.

15 Why they chose to put in that amount of capacity is
16 something I don't understand. That is why we were concerned
17 enough to make sure that the LEA puts specific language in
18 the permit saying they shall not receive more than 100 cubic
19 yards in any one day.

20 BOARD MEMBER VARNER: Okay.

21 MR. DIER: Granted -- we share your concern that the
22 capability is there to take a lot more. And it will be a
23 question of good enforcement activity to ensure that they
24 operate in compliance with the permit.

25 BOARD MEMBER VARNER: It seems to me that, being in

1 the business, that a more practical thing would be the
2 roll-off containers in this kind of a situation. Much more
3 practical situation than a bunch of front-loader bins, and
4 particularly that many. That's a tremendous amount of stuff.
5 So it really looks a little suspicious. That's the reason.

6 MR. DIER: We share your concern and suspicion.

7 BOARD MEMBER BREMBERG: Surely Senator Presley's
8 county wouldn't do something suspicious in nature.

9 BOARD MEMBER VARNER: Heavens, no.

10 BOARD MEMBER BREMBERG: He of the noble and virtue
11 air quality legislation. He wouldn't allow anything like
12 that.

13 CHAIRMAN ROODZANT: Is there a motion on the floor?

14 BOARD MEMBER GALLAGHER: I was prepared to make it,
15 but we got into questioning. If the Chair will entertain
16 one --

17 CHAIRMAN ROODZANT: The Chair will entertain a
18 motion.

19 BOARD MEMBER GALLAGHER: -- I move that we adopt
20 88-5 and 88-29 in accordance with staff recommendation.

21 VICE CHAIRMAN MOSCONE: Second.

22 CHAIRMAN ROODZANT: It's been moved and seconded to
23 adopt Solid Waste Facility Determination of Conformance No.
24 88-5 and Solid Waste Facilities Permit Decision No. 88-29.
25 Any further discussion?

1 All those in favor say aye.

2 (Ayes.)

3 CHAIRMAN ROODZANT: Opposed?

4 Carried and so ordered.

5 VICE CHAIRMAN MOSCONE: I'd just like to make an
6 observation.

7 If you look at this map of their station, they've
8 got part of these bins -- and I don't know -- let's see, they
9 don't have any -- I don't know what the footage is of that
10 collection station, but they have these containers in one,
11 two -- these bins in three different places. I think
12 probably that's the reason for having so many.

13 I think that probably -- I don't see that they
14 should have it -- with that small tonnage, they should have
15 any backup of cars or whatever else there might be.

16 But probably that's the reason, to make it easier, I
17 suppose, for people to dispose of their waste in this manner.
18 Rather than having them all in one spot, they've got them
19 distributed, as I see here, in three different places. That
20 may be the reason for so many containers.

21 BOARD MEMBER VARNER: Could be.

22 CHAIRMAN ROODZANT: Any further discussion on Item
23 No. 6?

24 Hearing none, Item No. 7, Consideration of
25 Determination of Conformance and Concurrence in Solid Waste

1 Facilities Permit for the Expansion of Hillside Landfill, San
2 Mateo County.

3 MR. IWAHIRO: A different landfill. Expansion for
4 the Hillside Disposal Site. Same staff people.

5 MR. SMITH: Again, John Smith. I will be presenting
6 the information on the environmental document for the
7 project and the first action by the Board, the Determination
8 of Conformance.

9 San Mateo County prepared an Environmental Impact
10 Report for this project in compliance with California
11 Environmental Quality Act. In that document they identified
12 a number of potential impacts, which included soil erosion,
13 rupture or cracking in landfill surfaces, potential
14 degradation of groundwater, alteration of surface drainage
15 patterns, litter and unsightly view, dust, and landfill gas.

16 To lessen those impacts, a number of mitigation
17 measures have been incorporated into the project. Those
18 include a revegetation plan, a post-closure maintenance
19 program, a proper drainage system, strict compliance with
20 Subchapter 15, a landscaping plan, periodic litter clean-up,
21 and the installation of a gas control system.

22 As required by CEQA, the county was required to look
23 at a number of alternatives, including the existing project.
24 The alternatives that were looked at were the use of the land
25 for residential or commercial development, the use of the

1 land as a quarry, and the use of the land as a recreation
2 area.

3 The county concluded in the EIR that the landfill
4 was the preferred alternative because of the need for the
5 continued use of a landfill and the benefit that would be
6 obtained from the reclaimed land. Staff, after reviewing
7 this document, found that it is adequate and appropriate for
8 this project.

9 Now, turning to the Determination of Conformance.
10 As required by the Board's procedures, a Notice of Proposed
11 Facility was filed by the operator for this landfill
12 expansion. Also, the San Mateo County Department of Public
13 Works, the agency responsible for the CoSWMP, found the
14 facility in conformance.

15 All required permits have been obtained for this
16 project. So it is now appropriate for the Board to consider
17 the Determination of Conformance.

18 Staff has evaluated this project based on the four
19 Board-established criteria: Consistency with state policy,
20 consistency with the policies and objectives of the plan,
21 consistency with the facilities element and local issues and
22 planning. Staff has evaluated the project based on those
23 criteria and found the project is consistent with all four.

24 Now I'd like to turn over the presentation over to
25 Don Dier and he'll give the information on the permit.

1 MR. DIER: Mr. Chairman, members, this is an
2 existing Class III site that's been operating since 1958.
3 This expansion will enable the facility to encompass 42.8
4 acres from its existing 23.6 acres. The result will be an
5 additional nine years of life added to the facility.

6 A couple of the key points to make here are that the
7 site accepts construction debris, wood and yard trimmings;
8 and specifically does not accept garbage, sludge, liquid or
9 hazardous waste. I'd like to point out that the permit is
10 quite specific in these restrictions.

11 The site typically receives 250 to 400 tons per day
12 of waste, and the permit has a limitation in it of 400 tons
13 per day.

14 The site operator has submitted an application and a
15 revised Report of Disposal Site Information, which staff has
16 reviewed and found to be quite adequate. And based upon the
17 fact that the permit is consistent with the County Solid
18 Waste Plan and General Plan and the site has shown an ability
19 to operate consistently in compliance with our minimum
20 standards, staff is able to recommend to the Board that they
21 adopt Determination of Conformance No. 88-6 and Permit
22 Decision No. 88-30.

23 There are representatives here today from both the
24 Local Enforcement Agency and the operator available to answer
25 questions if you have any of them.

1 VICE CHAIRMAN MOSCONE: Question.

2 CHAIRMAN ROODZANT: Mr. Moscone.

3 VICE CHAIRMAN MOSCONE: Has this -- the operator, I
4 believe, has always been the Hillside Landfill Company. The
5 owner in the expansion, existing, Cypress-Abbey Company;
6 expansion, AMLOC Companies. Is this a change from the
7 previous permit?

8 MR. DIER: You're correct, Mr. Moscone. The
9 operator has not changed. Each parcel is owned by different
10 entities. The permit is, however, issued to the operator.
11 So there's no change in that regard.

12 BOARD MEMBER BREMBERG: Mr. Chairman.

13 CHAIRMAN ROODZANT: Mrs. Bremberg.

14 BOARD MEMBER BREMBERG: I'm just curious. On page
15 91, next to the last paragraph where it says: "Salvaging is
16 conducted at the site in a planned and controlled manner."
17 Planned by whom and controlled by whom?

18 MR. DIER: Sounds like an excellent question for the
19 representative from the operator, Mr. Wyse.

20 MR. WYSE: My name's Jim Wyse, members of the Board,
21 Mr. Chairman.

22 To answer that question, basically the planning is
23 done by the operator in the recycling mode. Specifically,
24 the permit addresses what type of materials that currently
25 are recycled and salvaged. Primarily, white goods, wood

1 waste, those type of materials.

2 Those materials in the recycling program that has
3 been conducted since the beginning of operation have been
4 enforced by the Local Enforcement Agency and are included in
5 the permit and have been included in the previous permits,
6 also.

7 BOARD MEMBER BREMBERG: Does the operator do the
8 recycling, or is it a contracted salvage person that comes in
9 or what? That was really what I wanted to know.

10 MR. WYSE: The operator is involved with the
11 operation of salvaging, yes. Basically, one group of people
12 doing that, Hillside Landfill Company.

13 BOARD MEMBER BREMBERG: Okay. It's not people
14 coming in from outside on a contract?

15 MR. WYSE: No.

16 BOARD MEMBER BREMBERG: That's good.

17 VICE CHAIRMAN MOSCONE: What are they salvaging
18 other than probably wood? It's a Class III, all Class III.
19 So what can they salvage?

20 MR. WYSE: Basically, the cardboard materials, white
21 goods, wood wastes. Those are basically the only items.

22 VICE CHAIRMAN MOSCONE: There's no gas problem any
23 longer up there, is there?

24 MR. WYSE: No, they have a complete migration
25 control system around the perimeter with appropriate flares.

1 They have completed the Rule 34 systems to the Air Quality
2 Management District's requirements, and it is in complete
3 operation. So there are no gas problems at this point.

4 Any other questions?

5 VICE CHAIRMAN MOSCONE: Move approval of --

6 BOARD MEMBER GALLAGHER: Second.

7 VICE CHAIRMAN MOSCONE: -- both -- I'll get the
8 numbers.

9 CHAIRMAN ROODZANT: The Chair will help you. It's
10 Solid Waste Facility Determination of Conformance 88-6 and
11 Solid Waste Facilities Permit Decision 88-30.

12 VICE CHAIRMAN MOSCONE: That's what I wanted to say.

13 CHAIRMAN ROODZANT: It's been duly moved and
14 seconded to approve these decisions. Any further discussion?
15 Those in favor say aye.

16 (Ayes.)

17 CHAIRMAN ROODZANT: Opposed?

18 Carried and so ordered.

19 Take a five-minute break at this point. Make it
20 seven minutes. Until 3:25, whereupon we'll take up Item No.
21 8.

22 (Thereupon a brief recess was taken.)

23 CHAIRMAN ROODZANT: Okay. We'll call the Board back
24 to order.

25 Next item today is Consideration of Guidelines on

1 the Generic Types of Household Hazardous Waste Substances.

2 Mr. Formanek.

3 MR. IWAHIRO: Go ahead.

4 MR. FORMANEK: Mr. Chairman, members of the Board.
5 My name is Roger Formanek. I'm from the Landfill Engineering
6 Unit.

7 The item now before you for consideration is
8 proposed guidelines with respect to household hazardous
9 waste.

10 One of the requirements of AB 1809 is that the
11 California Waste Management Board establish guidelines on the
12 generic types of household hazardous substances which should
13 be disposed of as hazardous waste and guidelines on the safe
14 management of hazardous waste generated by households which
15 may be excluded from hazardous waste collection programs, but
16 which may require some special handling.

17 In establishing guidelines on which products should
18 be disposed of as hazardous waste, the Board must consider
19 such factors such as toxicity, concentration of toxic
20 ingredients in a product, and other appropriate factors.

21 The Board must also consider the appropriateness of
22 excluding from any listing of household hazardous waste
23 specific categories of household products such as products
24 intended for human consumption, personal hygiene products,
25 and other categories of household products intended for

1 general consumer use.

2 The Household Hazardous Waste Advisory Committee
3 recommended guidelines in its October 1987 report to the
4 Board. That report was presented at the Board's November 5th
5 through 6th, 1987 meeting.

6 The committee's guidelines on the generic types of
7 household hazardous waste are general and intended to provide
8 criteria for determining which household products containing
9 hazardous substances should be disposed of as hazardous
10 waste.

11 The criteria identifies those materials as
12 determined by the Department of Health Services, State Water
13 Resources Control Board, or Air Resources Board that are
14 listed as hazardous in state codes; or toxic, ignitable,
15 corrosive, reactive; or carcinogenic, mutagenic, teratogenic
16 as well. Other materials that pose a threat to the
17 environment, or any other materials that pose a threat to
18 worker safety were considered as well.

19 The committee prepared an example list of the types
20 of products that should be subject to household hazardous
21 waste collection programs. That list is in your packet with
22 a special notation with respect to latex paints.

23 The advisory committee also identified hazardous
24 waste which may be excluded from household hazardous waste
25 collection programs, but which require some special handling.

1 These wastes are radioactive waste, compressed gas cylinders,
2 ammunition or explosives, and infectious wastes.

3 Guidelines for the handling of such waste were
4 considered by the advisory committee, but were not proposed
5 in the report. The committee recognized that state law
6 requires every county to prepare hazardous waste management
7 plans. The counties must analyze the small-volume generation
8 of hazardous waste and develop policies for handling those
9 wastes.

10 The committee felt that statewide guidelines
11 specifying safe management practices for the special handling
12 of hazardous waste generated by households which may be
13 excluded from hazardous waste collection programs may not be
14 compatible with the approach that may be most appropriate for
15 any given county. The advisory committee believes that such
16 guidelines are best developed at the local level through the
17 hazardous waste management plans.

18 Board staff has reviewed the recommendations of the
19 advisory committee and, with minor revisions, supports the
20 guidelines as prepared. The revisions suggested by the staff
21 are that the following statements be deleted from the
22 guidelines. Those two statements are: "Any other materials
23 that pose a threat to the environment" and "Any other
24 materials that pose a threat to worker safety".

25 It is the Board staff's opinion that the two

1 statements are not sufficiently specific and lend ambiguity
2 to the guidelines.

3 The staff recommends that the guidelines as proposed
4 by the Hazardous Waste Advisory Committee and revised by the
5 Board staff be adopted by the Board.

6 CHAIRMAN ROODZANT: What's the pleasure of the
7 Board?

8 BOARD MEMBER BEAUTROW: When you say the guidelines,
9 is there some other kind of an attachment or something? Are
10 these just the guidelines right here on this piece of paper?

11 MR. FORMANEK: That is the guidelines as prepared by
12 the Household Hazardous Waste Committee, and the minority
13 opinion is included in the packet.

14 BOARD MEMBER BEAUTROW: Well, the minority opinion
15 talks about they feel that there should be an exemption on
16 household pesticide containers. I guess that would be like
17 Off or --

18 MR. OLDALL: Raid.

19 BOARD MEMBER BEAUTROW: -- or Raid some other of
20 those things that would set off those bombs in a room? Those
21 would be --

22 MR. FORMANEK: Yeah, ant or roach killer or
23 something of that nature.

24 BOARD MEMBER BEAUTROW: They feel that those should
25 be taken out of this whole thing for whatever reasons.

1 MR. FORMANEK: The minority was that EPA regulation
2 of such products is fairly rigorous and requires specific
3 labeling for the handling and disposal of those products.

4 The majority opinion of the committee was that
5 AB 1809 requires a state policy and it was --

6 BOARD MEMBER BEAUTROW: Regardless.

7 MR. FORMANEK: It was the intent of the committee to
8 satisfy the requirement to provide a state policy for the
9 State of California.

10 BOARD MEMBER GALLAGHER: Mr. Chairman.

11 VICE CHAIRMAN MOSCONE: Mr. Gallagher.

12 BOARD MEMBER GALLAGHER: Two questions. One, my
13 recollection of the minority group was that they did not
14 intend that containers that were empty that had contained
15 these materials had to be separated; is that correct?

16 MR. FORMANEK: To my understanding, that's correct.

17 BOARD MEMBER GALLAGHER: Okay. That clears up one
18 thing. Because I think we're going to be taking a lot of
19 empty cans and glass jars that would have nothing in them and
20 call it --

21 MR. FORMANEK: No, the focus was on containers with
22 partial contents.

23 BOARD MEMBER GALLAGHER: Then I have a real
24 question. Is there a reason why, when you look at this, that
25 they would not consider propane cylinders that may have a

19
1 small residue of propane in them as hazardous to the safety
2 of the worker? I can well imagine that that might pose a
3 hell of a danger to somebody working in a landfill if a cat
4 ran over a couple of those propane cylinders and -- what?

5 BOARD MEMBER VARNER: May I answer that question?

6 BOARD MEMBER GALLAGHER: Yeah.

7 BOARD MEMBER VARNER: It says to keep them out of
8 the household hazardous programs. They're to be handled in
9 some other manner, because they pose a tremendous danger.
10 Same thing, you can't bring explosives in there or anything
11 of a highly dangerous nature to a household hazardous
12 program.

13 BOARD MEMBER GALLAGHER: Well, that's why I was so
14 concerned. Those are damned hazardous, and I couldn't see
15 why they would be excluded. But you've answered the
16 question.

17 BOARD MEMBER VARNER: Yeah, they're excluded from
18 the household hazardous program.

19 BOARD MEMBER GALLAGHER: Thank you.

20 MR. IWAHIRO: But they have to be handled in another
21 way.

22 BOARD MEMBER VARNER: Yes.

23 BOARD MEMBER BREMBERG: Mr. Chairman.

24 VICE CHAIRMAN MOSCONE: Mrs. Bremberg.

25 BOARD MEMBER BREMBERG: You know, all the guidelines

1 and all the rules in the world aren't going to protect your
2 sanitation workers.

3 We have a gentleman who is still in the Sherman Oaks
4 Burn Center because of a householder that through 36 fluid
5 ounces of nitric acid that was over ten years old into his
6 waste receptacle. And if it hadn't been that the gentleman
7 was an experienced collector and had turned his head as he
8 tossed it in just automatically -- the side of his head, his
9 arms, the side of his body, his legs are incredibly eaten
10 away by the acid.

11 Fortunately, the fire department was only about two
12 minutes away and a lady saw it and called them and they got
13 there, hosed him down with a fire hose buck naked on the
14 street. It was an interesting exercise. But, nevertheless,
15 hosed him down for ten solid minutes, and he still is under
16 an intensive care in the Sherman Oaks Burn Center.

17 So, you know, it's a wonderful thing to put down
18 rules and regulations -- and the gentleman who tossed it is
19 in very serious trouble -- but it doesn't help the sanitation
20 worker.

21 So, you know, if they're going to have the law --
22 guidelines and so forth are wonderful, but I don't really see
23 a heck of a lot of real tough enforcement on violators. Or
24 is that left by other laws to enforce at the local level, or
25 by the private haulers to deal with through their attorneys?

1 MR. FORMANEK: I'm sorry, Mrs. Bremberg, I guess I
2 don't have a very good answer for you. But I suspect the
3 avenue to approach that would be through our regulations to
4 provide those avenues.

5 VICE CHAIRMAN MOSCONE: May I -- in your
6 recommendation you recommended the guidelines as prepared by
7 the advisory committee and revised by Board staff be adopted
8 by the Board. Is this minority opinion going to be part of
9 that?

10 MR. FORMANEK: No, the intent is to go with the
11 majority opinion, the recommendation as proposed by the
12 committee.

13 VICE CHAIRMAN MOSCONE: We have had -- at least I
14 have and probably everyone on the Board has received mail
15 from members of this advisory committee.

16 Have they been satisfied? I don't recall exactly
17 what their problems were specifically. Are they to -- is the
18 majority of this advisory committee in approval of these
19 guidelines?

20 EXECUTIVE OFFICER EOWAN: Yes.

21 BOARD MEMBER BREMBERG: With the disclaimer on the
22 latex paint. I believe that was one of the objections.

23 EXECUTIVE OFFICER EOWAN: That's correct.

24 MR. IWAHIRO: That's why we have the minority
25 opinion in here is that we wanted to bring that to light.

1 In addition, Mr. Chairman and members, we have been
2 working with some of the members that voiced comments on the
3 household hazardous waste report, and we have received
4 written comments on that report and have incorporated those
5 comments into the household hazardous waste report that you
6 saw -- I believe it was two meetings ago. I believe it was
7 the April meeting.

8 That's the other activity that we have going on that
9 relates to the advisory committee.

10 BOARD MEMBER BEAUTROW: Question.

11 VICE CHAIRMAN MOSCONE: Mr. Beautrow.

12 BOARD MEMBER BEAUTROW: Since I don't have a copy of
13 AB 1809, what does it say, the Board shall adopt these
14 guidelines? Fine, we adopt them. Then what do we do with
15 them?

16 MR. IWAHIRO: One of the things -- it's not specific
17 in the legislation, however, but I think the intent is that
18 this list then be distributed to those that are conducting
19 household hazardous waste collection programs as a guide as
20 to what they should collect and what they should not collect.

21 As an example, the propane tanks. You know, they
22 should not collect that is what they'll say, and pesticide
23 containers they should collect, paint. That's not on our
24 list right now, so they don't have to collect that.

25 BOARD MEMBER BEAUTROW: Then I feel the

1 recommendation ought to go the one step further and say that
2 we not only adopt the guidelines, but we see that they are
3 distributed to all of those entities. I hope that we're
4 going to get -- be more responsive and involved in the total
5 statewide effort. But we ought to make sure we do something
6 with these and it's not just, fine, we've adopted them.

7 EXECUTIVE OFFICER EOWAN: Good idea. Thank you.

8 BOARD MEMBER BEAUTROW: Okay.

9 BOARD MEMBER VARNER: Mr. Chairman.

10 VICE CHAIRMAN MOSCONE: Mr. Varner.

11 BOARD MEMBER VARNER: There are rules and they've
12 mentioned here like the radioactive waste and the compressed
13 air cylinders and a few other things. But anything of an
14 extremely hazardous nature -- there's an awful lot of things
15 that are excluded from the household hazardous program.
16 Sometimes, you know, people might have some extremely
17 dangerous things in their possession.

18 I think something as Mrs. Bremberg mentioned about
19 that guy throwing nitric acid, that would be one of those
20 prohibitive things. Because, combined with another
21 substance, and you've got a tremendous explosive here.

22 So the extremely dangerous or extremely hazardous
23 things are legally exempted from these programs. But I
24 suppose in the process you can't name every single thing that
25 might be extremely hazardous or dangerous.

1 But I think that that is something that should be
2 emphasized as we put out our recommendations to the counties,
3 and that's who we'd primarily send the information to, I
4 believe. So it gives them the guidelines how to set up their
5 programs in their local entities.

6 I think that -- well, I'm sure that any responsible
7 hazardous waste contractor would know what these things are.
8 And when a contract would be entered into, they would see to
9 it that certain things would be excluded if they were brought
10 in.

11 BOARD MEMBER BEAUTROW: Excuse me. But I think
12 that, Skeet, you're right to a certain degree when you said
13 the counties. But now I'm thinking the cities do these
14 programs without even consulting the county. And recently
15 I've seen some special districts that do it without
16 consulting the county or the cities.

17 So I guess we better disseminate this thing to the
18 widest audience possible.

19 BOARD MEMBER VARNER: Well, the reason I said
20 counties, Phil, is because cities are automatically included.
21 I think there may be some exceptions, but in most cases it
22 comes from environmental health, which is a county agency.
23 That is the ones who are primarily in charge of these
24 programs to see that they're implemented.

25 I suppose a city or someone else can designate

1 someone else. They can be in other areas. And cities do run
2 their own programs.

3 But there has -- I think that our job is to get it
4 to the Local Enforcement Agency, which normally is
5 environmental health in the counties, and then it's their job
6 to take care of everyone in their county, including the
7 cities.

8 BOARD MEMBER BREMBERG: Mr. Chairman.

9 VICE CHAIRMAN MOSCONE: I think Mr. Gallagher wanted
10 to --

11 BOARD MEMBER GALLAGHER: I'm wondering if it might
12 not be worth our while, in a letter of transmission to
13 whatever the entities are that we're servicing with this
14 report, that as a word of caution in it we indicate that this
15 is a broad categoric list, but that there are rules and
16 regulations covering the possession and disposal of certain
17 other dangerous chemicals such as acids, hydroxides, and
18 things like this, that they should look elsewhere for
19 guidelines covering those and cover the propane cylinders and
20 things like that so that they understand that we recognize
21 that this is covering only a very broad base of things.

22 Because there are things listed under household --
23 old-fashioned household lye can be just as dangerous as
24 nitric acid, and it's not covered here.

25 So I think we ought to call those kinds of things to

1 their attention.

2 EXECUTIVE OFFICER EOWAN: Good idea. We will do
3 that.

4 BOARD MEMBER VARNER: Mr. Chairman, there's one
5 other thing in that line. It quite often has been suggested
6 of combining small-volume generators with the household
7 hazardous program. I've always vigorously opposed that.
8 Because when you get into the small-volume generators that
9 are commercial operators of one kind or another, you get into
10 things that absolutely should not be included in the
11 household program. And there should be -- there already is
12 other avenues for them to properly take care of their
13 materials that they generate.

14 So, there again, just some of these things that are
15 coming out points up the reason why I've been absolutely
16 vigorously opposed to combining small-volume generators with
17 household programs.

18 BOARD MEMBER BREMBERG: Mr. Chairman.

19 CHAIRMAN ROODZANT: Mrs. Bremberg.

20 BOARD MEMBER BREMBERG: Getting back to the
21 dissemination of information.

22 I think it wouldn't cost any more to add a sentence,
23 "Please distribute within the agencies and municipalities."
24 Because they very rarely do, if ever. You find out things
25 quite a lot later than you really should, not because they

1 neglect. They think everybody has the same information at
2 the same time, and they don't.

3 Particularly, as groups are organizing household
4 toxic collections, and church groups and environmental groups
5 and maybe even Boy Scout groups with the best of motivation
6 and the least control might blow themselves and their
7 neighbors to kingdom come just inadvertently combining
8 liquids.

9 I think that sending it out to the various agencies,
10 as well as the county and so forth, tell them to pass it on.
11 They will be tested.

12 CHAIRMAN ROODZANT: Is there any further discussion
13 on this issue? The Chair will entertain a motion.

14 Mr. Eowan, did you want to make a motion?

15 EXECUTIVE OFFICER EOWAN: No, I wanted to make a
16 comment.

17 CHAIRMAN ROODZANT: Go ahead and comment.

18 EXECUTIVE OFFICER EOWAN: Just on Mr. Varner's point
19 about small-quantity generators. Just wanted to note when we
20 get to that item in the legislative, AB 3344 does address
21 small-quantity generators and creates a new category called
22 minimal quantity generators, something like that.

23 It directly affects what you were talking about.
24 We'll remember to point that up when we get to there
25 tomorrow.

1 BOARD MEMBER VARNER: I haven't read that.

2 EXECUTIVE OFFICER EOWAN: I just wanted to make a
3 note for you.

4 BOARD MEMBER GALLAGHER: Move the item. Don't see a
5 number.

6 CHAIRMAN ROODZANT: I'm asking for a motion.
7 What are you moving? Are you moving the staff
8 recommendation to approve the guidelines as recommended?

9 BOARD MEMBER GALLAGHER: Yes.

10 BOARD MEMBER VARNER: I second.

11 BOARD MEMBER GALLAGHER: Can't find an item number.

12 CHAIRMAN ROODZANT: Motion has been made and
13 seconded to approve the staff recommendation with the
14 revision to the advisory committee's guidelines.

15 Any further discussion?

16 All these in favor say aye.

17 (Ayes.)

18 CHAIRMAN ROODZANT: Opposed?

19 Carried and so ordered.

20 Item 9, Selection of Proposals for Award of Surplus
21 Recycling Equipment.

22 BOARD MEMBER BEAUTROW: Can I ask a question?

23 CHAIRMAN ROODZANT: Yes, sir.

24 BOARD MEMBER BEAUTROW: Before this we jumped
25 around -- we started out with the legislation, you know, with

1 the Garboil thing. Then we talked a little bit. Wouldn't it
2 be more appropriate to take the legislation now, or what?
3 Are we going to do it today?

4 CHAIRMAN ROODZANT: We took that one out of order
5 because of the fact we had an out-of-town guest here who
6 wanted to speak on the one issue.

7 Since it's down further on the agenda, I expect that
8 there may be others who may have interest in some of those
9 items. Furthermore, you were given a new package of material
10 today.

11 If it's your pleasure to continue on with that now,
12 I'd be happy to bring that one up.

13 BOARD MEMBER BEAUTROW: It would be my pleasure, if
14 it's everybody else's.

15 BOARD MEMBER BREMBERG: I just wonder if people
16 haven't left because they thought we were going to do it
17 tomorrow?

18 BOARD MEMBER BEAUTROW: I don't know whether we're
19 going to do it tomorrow or today. That's the question.

20 CHAIRMAN ROODZANT: Let's proceed on with the agenda
21 as has been set forth. Item No. 9, Selection of Proposals
22 for Award of Surplus Recycling Equipment.

23 MR. OLDALL: Yes, Mr. Chairman. Brian Foran from
24 the Resource Conservation Division will present this item
25 concerning seven pieces of equipment that the Board has taken

1 back and has now received some applications to redistribute.

2 MR. FORAN: Mr. Chairman, members of the Board. I'm
3 here today to present Board staff's recommendations for the
4 award of surplus recycling equipment.

5 Seven pieces of equipment remain available through
6 the closure of three SB 650 grants last year. The seven
7 pieces of equipment made available are as follows: A 1968
8 Cabover curbside collection truck, a rotating forklift head,
9 a blower and sorter for aluminum cans, a 1977 Yale forklift,
10 a strapping tool, a steel can flattener, and an aluminum can
11 flattener.

12 In February staff sent out notices of surplus
13 equipment application availability to 190 people and
14 organizations previously identified as being interested in
15 obtaining surplus equipment from the Board. Applications
16 were subsequently sent out to the 25 people who responded.

17 By the application deadline on May 15th the Board
18 had received four applications for the surplus equipment. A
19 list of the applicants and the equipment they requested is
20 shown on Attachment A, page 126 of your packet.

21 In evaluating the surplus equipment applications,
22 staff relied upon criteria established by the Board. The
23 programs given first consideration for award are those that
24 are proposed for areas with few recycling opportunities, have
25 community support, have previously demonstrated proficiency

1 in operating recycling programs, have made a financial
2 commitment to the project, will be compatible with existing
3 recycling programs, and those which would most benefit by the
4 surplus recycling equipment.

5 The four applicants for surplus equipment were the
6 Bakersfield Association for Retarded Citizens, the City of
7 Colton, the Palo Alto Recycling Program, and Master Disposal
8 Company's Recycling Center in El Monte.

9 I will provide a brief description of each applicant
10 and how they claim the requested equipment will benefit their
11 recycling program.

12 The Bakersfield Association of Retarded Citizens,
13 whom I will refer to as BARC, has requested five pieces of
14 equipment: The curbside collection truck, the rotating
15 forklift head, the forklift, the aluminum can blower and
16 sorter, and the aluminum can flattener.

17 BARC is a nonprofit organization which trains and
18 employs the handicapped. Their involvement in recycling
19 dates back to 1971. BARC presently serves a population of
20 155,000 through their recycling centers in Bakersfield and
21 Lamont. They also contract operation of a recycling center
22 in Frazier Park, and broker materials for a number of
23 recycling programs, including two at Air Force bases.

24 BARC has requested the five pieces of surplus
25 equipment to enable them to expand their recycling program.

1 They plan to initiate a curbside recycling program in the
2 neighboring city of Visalia, start up a bar and restaurant
3 glass recycling program, and expand their existing drop-off
4 bin collection system.

5 With the surplus recycling equipment, BARC estimates
6 they would serve an additional 50,000 residents and would
7 recover an additional 104 tons per month of materials, up
8 from the present 1,070 tons per month.

9 The City of Colton has requested only one piece of
10 equipment, the aluminum can flattener. Colton has been
11 operating a state certified beverage container redemption
12 center since March. The center also accepts newspapers.

13 Colton is in the process of developing a pilot
14 curbside recycling program which will service 1,400 single
15 family residents. This will be the only program of its kind
16 in Colton or in any neighboring city. The program was
17 scheduled to begin on June 6th of this year.

18 The reason Colton has requested the aluminum can
19 flattener is to increase their processing efficiency for
20 aluminum cans so as to enable them to expand their existing
21 and planned collection programs.

22 The aluminum can flattener will allow Colton to
23 maximize their use of the current aluminum can storage area
24 and increase the capacity of each load delivered to the
25 recycling processor by 75 percent.

1 The Palo Alto Recycling Program has also requested
2 only one piece of equipment, the steel can flattener.

3 The Palo Alto Recycling Program is a city-sponsored
4 program that has been in operation since 1978. Palo Alto
5 provides curbside collection service to all residents in the
6 city, serving a population of about 57,000.

7 Curbside service is also offered to medium-sized
8 businesses, collecting high-grade paper and corrugated
9 cardboard. In addition, a drop-off service is provided for
10 residents of Palo Alto and neighboring communities.

11 The primary reason Palo Alto is requesting the
12 surplus steel can flattener is to replace their existing can
13 flattener, which is inefficient and requires costly routine
14 repairs and maintenance.

15 Palo Alto does not receive any revenue from their
16 collection of steel cans, and in fact must pay \$100 per load
17 to transport them to market. It is expected that the surplus
18 steel can flattener will have a greater compaction rate,
19 reducing the required number of hauls to market per volume of
20 steel cans collected, thus achieving significant
21 transportation cost savings.

22 Master Disposal Company that operates a recycling
23 center in El Monte has requested two pieces of equipment, the
24 rotating forklift head and the strapping tool.

25 The recycling center in El Monte serves as both a

1 state certified beverage container redemption center and as a
2 processing facility for the glass which Master Disposal
3 collects from bars and restaurants through the California
4 Glass Recycling Corporation's Phoenix Project.

5 The primary reason given by Master Disposal Company
6 for requesting the rotating forklift head and the strapping
7 tool is that they will increase the amount of glass they will
8 be able to collect by giving them the means to cover a
9 greater area than they are presently doing.

10 Master Disposal estimates that the rotating forklift
11 head and strapping tool will enable them to double the volume
12 of glass presently collected, because they would not have to
13 share the existing pickup and trailer with others in the
14 company.

15 Following a review of the selection criteria, the
16 staff recommends that the Board award surplus equipment as
17 follows. If I can direct your attention to the screen.

18 --oOo--

19 Staff recommends the Board award the curbside
20 collection truck to BARC. The justification for this
21 recommendation is that the curbside truck will enable BARC to
22 implement a curbside recycling program in Visalia, a city in
23 which no such program exists.

24 --oOo--

25 Staff recommends the Board award the rotating

1 forklift head to BARC. The justification is that the
2 rotating forklift head will enable BARC to more efficiently
3 process the larger volumes of material they plan to collect
4 through their curbside program and expansion of drop-off bins
5 and rural services.

6 BARC has demonstrated the ability to conduct
7 large-scale recycling operations and has invested in a
8 considerable amount of recycling equipment, evidence of their
9 commitment to recycling.

10 The justifications for recommending award of the
11 rotating forklift head to BARC rather than Master Disposal
12 Recycling Center is that Master Disposal Company's
13 application failed to adequately address how the rotating
14 forklift head would benefit their program. There was only
15 discussion of their plans to increase collection. But,
16 clearly, a rotating forklift head cannot aid in this regard.

17 --oOo--

18 Staff recommends the Board award the aluminum can
19 blower and sorter to BARC. The justification is the same as
20 for the rotating forklift head. The aluminum can blower and
21 sorter will enable BARC to more efficiently process the
22 larger volumes of material they plan to collect through their
23 expanded programs.

24 --oOo--

25 Staff recommends the Board award the forklift to

1 BARC. The justification is the same as for the rotating
2 forklift head and aluminum can blower and sorter.

3 --oOo--

4 Even though only one applicant, Master Disposal's
5 Recycling Center, requested the strapping tool, staff
6 recommends the Board not make any awards of this piece of
7 equipment at this time.

8 The reason for this recommendation is that nowhere
9 in Master Disposal Company's application was there an
10 indication of how they plan to use the strapping tool.

11 The strapping tool is primarily designed to secure
12 baled materials, such as newspaper and cardboard. However,
13 the Recycling Center's program description indicated only
14 that glass would be collected.

15 --oOo--

16 Staff recommends the Board award the steel can
17 flattener to the Palo Alto Recycling Program. The
18 justification is that award of the steel can flattener to
19 Palo Alto will help them to continue collecting tin cans for
20 recycling, while minimizing their costs of providing this
21 service.

22 The Palo Alto Recycling Program has demonstrated
23 excellent maintenance and utility of their current steel can
24 crusher, which they purchased as used equipment in 1980 with
25 SB 650 funds awarded by the Board in 1978.

1 material stored?

2 MR. FORAN: Which --

3 BOARD MEMBER GALLAGHER: Well, the ones that are
4 going down to Bakersfield, the lift truck, the Cabover 1968
5 -- that must be a real hotrod. How are you going to get it
6 there? Are they going to ship them by rail car or try to
7 drive them down there or what?

8 MR. FORAN: It's left up to the applicant to incur
9 all costs and operations to pick up the recycling equipment.

10 BOARD MEMBER GALLAGHER: Thank you.

11 BOARD MEMBER VARNER: Mr. Chairman.

12 CHAIRMAN ROODZANT: Mr. Varner.

13 BOARD MEMBER VARNER: In view of the fact that I
14 come from Kern County and Bakersfield and am well-acquainted
15 with these people, I'm going to abstain from voting on this
16 issue.

17 But I would like to just make a statement that the
18 BARC people, the retarded people, are doing an outstanding
19 job with the retarded people in that community, and they use
20 this recycling center as one of the methods of financing the
21 operation to provide a better existence for these people.

22 I just want to make that statement after
23 disqualifying myself from voting on it.

24 BOARD MEMBER BREMBERG: We need Mr. Beautrow.

25 CHAIRMAN ROODZANT: No, there's a quorum.

1 The Chair will entertain a motion if there's no
2 further discussion.

3 BOARD MEMBER GALLAGHER: I will move the acceptance
4 of staff recommendation for the disposal of surplus recycling
5 equipment accumulated under the 650 grant program as
6 recommended by staff.

7 BOARD MEMBER BREMBERG: Second.

8 CHAIRMAN ROODZANT: It's been moved and seconded to
9 accept the staff's recommendation for disposal of surplus
10 recycling equipment. Is there any further discussion or
11 public input?

12 Those in favor say aye.

13 (Ayes.)

14 VICE CHAIRMAN MOSCONE: Do we need Mr. Beautrow
15 here?

16 CHAIRMAN ROODZANT: All those in favor say aye.

17 (Ayes.)

18 CHAIRMAN ROODZANT: Opposed?

19 Carried and so ordered.

20 There is a quorum present.

21 BOARD MEMBER BREMBERG: Even if you had voted no, it
22 still would have passed.

23 (Thereupon a short discussion was held off the
24 record.)

25 CHAIRMAN ROODZANT: Counsel, there is a question

1 about -- one of my colleagues had a question whether you need
2 a quorum of people who are voting. Do you have an opinion on
3 it?

4 MR. CONHEIM: Mr. Chairman, as long as there is a
5 quorum present, then a motion is passed with a majority of
6 those voting. And Mr. Varner can abstain.

7 VICE CHAIRMAN MOSCONE: Hallelujah.

8 CHAIRMAN ROODZANT: Is there any special request as
9 for an item to be heard today?

10 If not, we're just going to move one more item then
11 today, Item 11, Report on Local Enforcement Agency and
12 Operator Training Seminars.

13 MR. IWAHIRO: Mr. Chairman, I think the Board is
14 well aware that we've been holding LEA training seminars.
15 The latest one was held earlier this year, March and April.
16 There were four two-day sessions.

17 Pam Badger of our staff was our main person that ran
18 a lot of this and did an excellent job. I'm just sorry to
19 announce, however, that this is Pam's last Board meeting,
20 because she'll be leaving us, I guess, for greener pastures.
21 We're going to miss her, because she's done an outstanding
22 job.

23 CHAIRMAN ROODZANT: Greener. I thought that was
24 maroon or something like that.

25 MR. IWAHIRO: Could be maroon.

1 CHAIRMAN ROODZANT: Burgundy. Burgundy pastures.

2 MR. IWAHIRO: So I'll turn it over to Pam to give
3 you the report.

4 MS. BADGER: Thank you, Herb.

5 Mr. Chairman, members of the Board. I'm giving the
6 report on LEA and operator training seminars, which we gave
7 in March and April.

8 Title 7.3 of the Government Code requires the Board
9 to provide technical assistance to Local Enforcement
10 Agencies. One means by which the Board fulfills this
11 requirement is to provide LEA and operator training seminars
12 on an annual basis.

13 The Board awarded the contract for the seminars in
14 question last June 18th and 19th.

15 The contract went to the lowest bidder, Eljumaily
16 and Butler Associates. The seminars were funded out of the
17 1986-87 budget.

18 The seminars were presented to LEAs and operators
19 during March and April of 1988. Four two-day sessions were
20 given in Redding, Oakland, Sacramento, and Riverside. The
21 first morning was an introductory seminar given by the
22 Enforcement Division staff on landfill and transfer station
23 monitoring techniques and equipment.

24 The seminar included information on pre and
25 post-inspection practices, health and safety, and a

1 discussion of the landfill and transfer station minimum
2 standards examined during a facility inspection.

3 A slide presentation accompanied the discussion,
4 enabling participants to see examples of both violations and
5 compliance conditions at landfills and transfer stations
6 around the state. A lot of people were pretty entertained by
7 this, because they saw their own landfill and that was sort
8 of exciting.

9 In the afternoon a panel of Enforcement Division
10 staff members gave a course on facility permitting, the five
11 year permit review, and the potential impact of AB 2448 on
12 the permit review process. The session included a detailed
13 flow chart for seminar attendees to use in following the
14 seminar and for future reference.

15 As directed by Board staff in the training contract,
16 Eljumaily and Butler Associates arranged the sessions given
17 on the second day. The subject was special wastes, which
18 traditionally has meant wastes with unusual handling
19 requirements, increased potential safety, health or
20 environmental impacts, hazardous or questionably hazardous
21 wastes, and things like that. Special waste discussed at the
22 seminars included asbestos, sludge, auto shredder waste,
23 infectious waste, ash, and several other wastes. The
24 contractors obtained speakers from the agencies involved in
25 special waste regulation as specified in the contract.

1 Representatives of the Regional Water Quality
2 Control Board, local and state air boards or air pollution
3 control agencies, and the Waste Management Board discussed
4 their agencies' roles in special waste handling issues,
5 enforcement, and regulation, and described some case studies.

6 Representatives from the Department of Health
7 Services' Toxic Substances Control Division came to the
8 Oakland and Sacramento seminars. Speakers from the various
9 agencies, Local Enforcement Agencies, and landfill operators
10 talked about specific special wastes, their handling,
11 problems experienced in their disposal, and solutions to
12 those problems.

13 Working closely with Board staff, the contractor
14 wrote and provided a special waste manual dealing with over a
15 dozen of the more commonly-encountered special wastes. The
16 manual discusses whether the waste is hazardous, what
17 agencies and laws regulate it, current waste handling
18 methods, types of landfills that can accept the waste, and
19 whether the permit must be changed. It also discusses
20 illegal dumping, fires, and alternatives to landfilling.

21 The Sacramento seminars were videotaped by the
22 contractor. LEAs and operators are encouraged to check out
23 these tapes and the accompanying handouts for their own
24 training purposes. We've got a waiting list right now on
25 this video tape. It's been pretty popular.

1 The seminars were extremely well-attended. The
2 turnout was higher than the most recent seminars in every
3 area. The Redding seminar had about four times the number of
4 attendees as the last seminar given in that region, and over
5 twice the attendance of any seminars since the RCRA series
6 was given in early 1980's.

7 Overall, 226 people signed in on the first day of
8 the four seminars. That's in all four locations. And 234
9 signed in on the second day. This is significantly greater
10 than the last seminar, where 156 and 131 signed in per day
11 respectively.

12 The lowest turnout was experienced at the Bay Area
13 seminar, held in downtown Oakland. Staff will consider
14 eliminating the Bay Area seminar and replacing it with a
15 second Southern California seminar in the future.

16 Attendees also rated the seminar higher than in
17 other recent seminars. The overall weighted average rate, on
18 a scale of 1 to 10, was 7.8, with a range of 4 to 10 points.
19 The previous seminar received a weighted average of 6.4, with
20 a range of 1 to 10.

21 A list of all the comments received on the seminar
22 evaluation is attached to the back of your agenda item. I
23 think it's on page 225. The attendees praised the Waste
24 Management Board and the contractor's efforts, which one
25 described as the first real effort to provide guidance to

1 LEAs in an organized basis for special wastes.

2 Attendees remarked on the timeliness of the topics,
3 the quality of speakers, and the organized manner in which
4 the seminar was conducted. They were appreciative of the
5 special waste manual and the other handouts.

6 Participants commented that the special waste manual
7 should be made available to all LEAs, not just those
8 attending the seminars. They also expressed a need to have
9 seminars on a yearly or twice-yearly basis instead of every
10 one and a half years or every two years, as they are now.

11 Some participants felt the inclusion of operators as
12 speakers was a strength, and some considered it a weakness.
13 We found this to be the case of a lot of comments. Some
14 people would put a comment as a good point and another person
15 would put an identical comment as a bad point. I guess you
16 can never win.

17 The Department of Health Services did not send
18 speakers to the Redding and Riverside sessions, and this was
19 a big source of complaint in those areas.

20 Staff summarized the suggestions for future seminars
21 and combined them with a running tab of requests started last
22 year. The most frequently asked for training is in the areas
23 of enforcement, safety training, landfill and transfer
24 station siting, design and operation, gas control and
25 monitoring, and the legal and regulatory aspects of solid

1 waste.

2 The next session may be an appropriate time as well
3 to give a seminar on AB 2448 and closure, another frequently
4 requested seminar topic.

5 The Board should consider making the training
6 seminars a permanent expenditure in the future. Because the
7 training seminars are not currently a permanently budgeted
8 item, a budget change proposal should be prepared to obtain
9 the about \$50,000 in contract funds to continue the current
10 effort. No contract was awarded for fiscal year 1987 and
11 1988.

12 Permanent status in the budget would allow for a
13 consistent and much-needed training program for LEAs and
14 operators around the state and allow for a concerted and
15 continuous planning system to be developed for future
16 seminars.

17 I hope you get a chance to look over the comments.
18 You can get an idea of what people thought. You tend to see
19 the same thing over and over. They really felt that this is
20 the first time anybody has ever sat down and dealt with all
21 these various wastes and got all the regulators together in
22 one room and had them sort of duke it out over what to do
23 with these various things.

24 It might have been a little risky to come up with
25 that subject in the first place, because our authority isn't

1 really in all these things, some of which are considered
2 hazardous. But I think we really won in the long run in
3 that. Everybody was pretty pleased.

4 VICE CHAIRMAN MOSCONE: After reading all of these
5 strengths and weaknesses and everything, I was wondering if
6 these people attended the same seminar.

7 (Laughter.)

8 MS. BADGER: You do wonder about that.

9 BOARD MEMBER BREMBERG: I think, John, you're
10 talking about "No research into alternatives for disposal of
11 auto waste, infectious waste, and asbestos." The whole
12 second day was -- I mean, where was he?

13 MR. OLDALL: Maybe he did not attend the second day.

14 BOARD MEMBER BREMBERG: I've got to assume that this
15 is a typo where it says "Too wishy-washy. No different
16 answers from CWMB, Water Quality, Air Board, LEA and the
17 landfill supervisor. I'm still confused as to who is right."

18 I mean, if they all gave the same answer, I suspect
19 they're all right.

20 MS. BADGER: I thought it would be sort of fun to
21 put those in verbatim so you'd get an idea --

22 BOARD MEMBER BREMBERG: I hear you.

23 MS. BADGER: -- of what we have to do when we look
24 over those evaluations.

25 VICE CHAIRMAN MOSCONE: Mr. Chairman.

1 CHAIRMAN ROODZANT: Mr. Moscone.

2 VICE CHAIRMAN MOSCONE: After reading all of the
3 pros and cons of the people who were there, I think it's
4 evident that we had four pretty good seminars. And it seemed
5 that, whether it came up into a pro or a con, at least these
6 subjects were covered, maybe not to the extent that some
7 would have liked or vice versa.

8 I think that whoever goes over these -- and I
9 certainly think that we should continue these every year. I
10 think that whoever is in charge of this next year -- and I
11 suppose Eljumaily Butler and everything should -- I don't
12 know whether they're going to make any comments about all of
13 this.

14 But I think that with the responses that you got, it
15 lends to putting together a hell of a good seminar.

16 MS. BADGER: I talked to Dwayne Butler a little
17 earlier this week about the final report that they're
18 required to give us as part of the contract, and he assures
19 me it's going to be in next week.

20 CHAIRMAN ROODZANT: Are there any other comments?

21 The Chair would like to comment that he agrees with
22 the desire to move another one to Southern California. I
23 received a lot of complaints about there only being one there
24 this year versus, I think, three in Central and Northern
25 California and the feeling that there was a lot more

1 geographic area, as well as the number of people.

2 Were there a lot more -- greater number of people
3 per seminar down there than there were the other ones?

4 MS. BADGER: There were more people in the L.A.
5 seminar than there were in any other area. And there were
6 sufficiently fewer in the Oakland area that it really didn't
7 make it worth it to have it there.

8 CHAIRMAN ROODZANT: I do want to make this comment
9 regarding the BCP. I would agree that we should pursue that.
10 But even though we may not get a BCP approved, we should
11 commit to continuing to do this. I'm surprised. How did we
12 fund this year's with the 87-88 money?

13 EXECUTIVE OFFICER EOWAN: Contract money. Out of
14 our annual allocation for contracts.

15 CHAIRMAN ROODZANT: That's the way we've been doing
16 it ever since I came here, I thought.

17 EXECUTIVE OFFICER EOWAN: That's correct.

18 CHAIRMAN ROODZANT: It says no contract was awarded
19 for --

20 MR. OLDALL: We didn't fund it out of this year's
21 money. The contract was awarded late. So what we ended up
22 doing was using last year's money that was left over at the
23 time.

24 CHAIRMAN ROODZANT: Was this year's money left over
25 for --

1 MR. OLDALL: No, but we will be considering
2 expenditure of next year's contract funds that are available
3 in July, very shortly. And this could be an item for
4 consideration in that.

5 CHAIRMAN ROODZANT: Okay.

6 Any further discussion?

7 Hearing none, we'll recess until 9:00 a.m. tomorrow
8 morning.

9 (Thereupon the meeting of the California Waste
10 Management Board was recessed at 4:13 p.m.)

11 ---cCo--
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