

BEFORE THE  
STATE OF CALIFORNIA

CALIFORNIA WASTE MANAGEMENT BOARD

IN THE MATTER OF THE: )  
REGULAR MONTHLY BOARD MEETING )  
AUGUST 1988 )  
----- )

DATE AND TIME: WEDNESDAY, AUGUST 10, 1988, 10:00 A.M.

PLACE: BOARD HEARING ROOM  
1020 NINTH STREET  
SACRAMENTO, CALIFORNIA

REPORTER: BETH C. DRAIN, CSR  
CERTIFICATE NO. 7152

(13)(4)  
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## BOARD MEMBERS PRESENT

MR. JOHN C. MOSCONE, CHAIRMAN (NOT PRESENT)  
MR. PHILLIP BEAUTROW, (ACTING CHAIRMAN)  
MS. GINGER BREMBERG  
MR. JOHN E. GALLAGHER  
MR. E. L. VARNER  
MR. SAM ARAKALIAN  
MR. LES BROWN  
MR. JAMES W. CALLOWAY (NOT PRESENT)

## STAFF PRESENT

MR. GEORGE T. EOWAN, CHIEF EXECUTIVE OFFICER  
MR. HERBERT IWAHIRO, CHIEF DEPUTY EXECUTIVE OFFICER  
MR. ALAN OLDALL, DEPUTY EXECUTIVE OFFICER  
MS. JOELLEN JACKSON, DIRECTOR OF LEGISLATION  
AND PUBLIC AFFAIRS  
MR. ROBERT F. CONHEIM, GENERAL COUNSEL  
MR. GEORGE LARSON, MANAGER OF PLANNING AND RESOURCE  
CONSERVATION AND DEVELOPMENT DIVISIONS

MR. BILL ORR  
MS. KIM SCHWAB  
MS. CAREN TRGOVCICH



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1 AUGUST 10, 1988

2  
3 CALIFORNIA WASTE MANAGEMENT BOARD

4  
5 CHAIRMAN BEAUTROW: GOOD MORNING. THIS IS THE  
6 MEETING OF THE CALIFORNIA WASTE MANAGEMENT BOARD, AND THE  
7 RECORD WOULD SHOW THAT THERE'S A QUORUM PRESENT.

8 I'M PHIL BEAUTROW ACTING AS ACTING VICE  
9 CHAIRMAN IN THE STEAD OF JOHN MOSCONE, WHO, I'M SURE MANY  
10 OF YOU KNOW, IS RECOVERING FROM HEART SURGERY, AND HE HAD  
11 A QUADRUPLE BYPASS. HE'S HOME NOW AND HE PROBABLY SHOULD  
12 BE AT THE NEXT MEETING, BUT WE ALL WISH HIM A SPEEDY  
13 RECOVERY, OF COURSE. AND IN MY ABSENCE, MR. GALLAGHER  
14 WOULD ACT AS VICE CHAIRMAN.

15 AND FIRST OF ALL, IS THERE ANY ADDITIONS OR  
16 CHANGES TO THE AGENDA?

17 MR. EOWAN: THANK YOU, MR. CHAIRMAN AND MEMBERS.

18 WE DO HAVE SOME REQUESTS FOR CERTAIN ITEMS TO  
19 BE HELD AT CERTAIN DAYS DUE TO THE NECESSITY FOR TRAVEL  
20 INTO SACRAMENTO. SO WHAT I WOULD REQUEST IS THAT WE HEAR  
21 ITEM NO. 4 ON FRIDAY, ITEMS -- ITEM NO. 6 ON THURSDAY; 9,  
22 10, AND 11 ON THURSDAY; 18 ON THURSDAY; 19 ON FRIDAY; 20  
23 ON THURSDAY; 24 ON FRIDAY; 25 ON THURSDAY; AND DELETE 27.

24 CHAIRMAN BEAUTROW: OKAY. GO OVER THAT AGAIN; 4 ON  
25 FRIDAY; 6 ON THURSDAY; 9, 10, AND 11 ON THURSDAY; 18 AND



1 20 ON THURSDAY; 19 ON FRIDAY; 24 ON THURSDAY --

2 MR. EOWAN: TWENTY-FOUR ON FRIDAY.

3 CHAIRMAN BEAUTROW: TWENTY-FOUR ON FRIDAY, 25 ON  
4 THURSDAY, AND DELETE ITEM 27, WHICH I THINK WILL BE HELD  
5 OVER TO THE NEXT MEETING.

6 MR. EOWAN: THAT WOULD BE OUR REQUEST.

7 CHAIRMAN BEAUTROW: OKAY. THAT WILL BE THE ORDER.  
8 YES, SIR?

9 UNIDENTIFIED SPEAKER: MR. CHAIRMAN, WE'RE NO. 13,  
10 SONOMA COUNTY: IS IT POSSIBLE THAT WE COULD BE ON EITHER  
11 THURSDAY OR FRIDAY SO WE KNOW WHICH WAY. WE'RE COMING UP  
12 FROM THE BAY AREA.

13 CHAIRMAN BEAUTROW: PROBABLY, LOOKS LIKE ON THE  
14 ORDER IT WOULD BE THURSDAY, I WOULD GUESS. IS THAT OKAY?

15 UNIDENTIFIED SPEAKER: THAT'S FINE.

16 MR. EOWAN: WE MAY HAVE -- THAT WOULD BE FINE.

17 CHAIRMAN BEAUTROW: ALSO, IF THERE'S ANYBODY THAT  
18 WOULD LIKE TO SPEAK, WE HAVE THESE CARDS IN THE BACK HERE  
19 THAT IF YOU WOULD FILL THAT OUT AND HAND THEM TO CONNIE  
20 DUNN, THE SECRETARY THERE IN THE BLUE, WE'D APPRECIATE  
21 IT, AND WE'LL MAKE SURE THAT YOU ARE IN THE ORDER.

22 IS THERE ANYBODY ELSE IN THE AUDIENCE THAT HAS  
23 PROBLEMS WITH THE AGENDA OR HAS ANY REQUESTS?

24 OKAY. IF NOT, THEN, WE'LL START WITH ITEM  
25 NO. 1, CONSIDERATION FOR APPROVAL OF THE CERTIFICATION



1 GUIDELINES FOR THE PREPARATION OF INITIAL COST ESTIMATES  
2 AND ALTERNATIVE FINANCIAL MECHANISMS. SOUNDS LIKE IT  
3 SHOULD BE TWO OR THREE SENTENCES.

4 ANYWAY, GEORGE, WOULD YOU LIKE TO START OFF?

5 MR. EOWAN: THANK YOU, MR. CHAIRMAN.

6 THIS IS AN ITEM CONTINUING IN OUR INITIAL  
7 REVIEW OF OUR REGULATIONS. THIS ONE HAS TO DO WITH  
8 FINANCIAL MECHANISMS UNDER A BILL THAT WAS PASSED LAST  
9 YEAR, AB 2448. BOTH THIS ITEM AND THE SECOND ITEM ARE  
10 PART OF OUR OVERALL DEVELOPMENT AND REVIEW FOR ITS  
11 REGULATIONS. SO I'D TURN IT OVER TO MR. BILL ORR AND HIS  
12 STAFF TO PRESENT THESE ITEMS.

13 MR. ORR: GOOD MORNING, MR. CHAIRMAN AND MEMBERS.

14 THIS IS SORT OF A REPRISE OF AN ITEM BROUGHT  
15 TO YOU LAST TIME FOR YOUR INITIAL CONSIDERATION REGARDING  
16 THE PREPARATION OF GUIDELINES TO BE USED BY OPERATORS OF  
17 SOLID WASTE LANDFILLS TO MEET THE REQUIREMENT IN THE  
18 STATUTE, TO PROVIDE FOR MONIES AND ASSURANCES THAT THEY  
19 WILL BE CLOSING THEIR LANDFILLS WHEN IT COMES  
20 APPROPRIATE, OR THAT IN THE EVENT THAT A THIRD PARTY IS  
21 REQUIRED TO CLOSE A LANDFILL, THAT THE MONEY WOULD BE  
22 AVAILABLE AT THAT TIME TO IMPLEMENT A CLOSURE.

23 BASICALLY, THIS INITIAL CERTIFICATION IS AN  
24 ADVANCE OF WHAT WILL ULTIMATELY BE A FINANCIAL MECHANISM  
25 TO ACCOMPANY A CLOSURE PLAN. BUT IT APPEARS TO BE THE



1 INTENT OF THE LEGISLATURE THAT THEY WANT TO GET THE  
2 MECHANISM ESTABLISHED AS SOON AS POSSIBLE AND SO THEY  
3 PROVIDED FOR THIS INITIAL CERTIFICATION.

4 THESE GUIDELINES HAVE BEEN PREPARED TO ASSIST  
5 THE OPERATOR IN PREPARING INITIAL COST ESTIMATES THAT  
6 WILL PROVIDE THE AMOUNT OF MONEY THAT WOULD HAVE TO BE  
7 SET ASIDE IN A FINANCIAL MECHANISM, AND THEN SOME  
8 GUIDELINES ON WHAT DOCUMENTATION AND WHAT MECHANISMS  
9 MIGHT BE AVAILABLE TO ESTABLISH TO MEET THE REQUIREMENT  
10 FOR FINANCIAL ASSURANCES.

11 SINCE WE BROUGHT THIS ITEM TO YOUR ATTENTION  
12 LAST MONTH, WE RECEIVED WHAT I'LL DESCRIBE AS A TRICKLE  
13 OF LETTERS FOLLOWING THE LAST MEETING REGARDING THE  
14 PREVIOUS DRAFT OF THE GUIDELINES. ABOUT TWO AND A HALF,  
15 THREE WEEKS AGO, WE SENT OUT ANOTHER -- THE REVISED DRAFT  
16 OF THE GUIDELINES; AND, SINCE THAT TIME, WE'VE PRETTY  
17 MUCH RECEIVED A DELUGE, A FLOOD OF RESPONSES TO THIS  
18 SECOND REVISED DRAFT. IN FACT, WE WERE RECEIVING FEDERAL  
19 EXPRESS OVERNIGHT-TYPE MAIL THIS MORNING AND RECEIVED  
20 LETTERS IN PERSON THIS MORNING. WE'VE INCORPORATED, AS  
21 BEST AS POSSIBLE, THOSE RESPONSES AND CHANGES THAT WE  
22 INITIATED THAT WERE AVAILABLE TO US BY THE TIME THE BOARD  
23 PACKET WAS SENT OUT.

24 WE HOPE TO BE ABLE TO ADDRESS, TO YOUR  
25 ATTENTION, THE COMMENTS THAT WE'VE RECEIVED UP UNTIL --



1 WELL, YESTERDAY. WE'RE STILL LOOKING AT THE LETTERS WE  
2 GOT THIS MORNING. WE WOULD HOPE TO BE ABLE TO RESOLVE  
3 THE ISSUES TO THE EXTENT THAT THE BOARD WOULD FEEL  
4 COMFORTABLE IN APPROVING THESE GUIDELINES AT THE END OF  
5 THIS ITEM.

6 WE WILL BE BREAKING IT DOWN INTO TWO SECTIONS,  
7 KIM SCHWAB WILL BE FIRST TALKING ABOUT THE ACTUAL INITIAL  
8 COST WORKSHEETS AND THEN CAREN TRGOVCICH WILL BE TALKING  
9 ABOUT THE ALTERNATIVE MECHANISMS.

10 IN TERMS OF PEOPLE THAT WOULD LIKE TO SPEAK TO  
11 EITHER ONE OF THESE TWO AREAS, WE WOULD LIKE TO RESERVE  
12 THE COMMENTS FROM THE AUDIENCE UNTIL THE END OF THAT  
13 SECTION AND THEN MAYBE WE SHOULD DIVIDE UP THE SPEAKERS  
14 THAT THEY SHOULD INDICATE WHETHER THEY WANT TO TALK ABOUT  
15 THE INITIAL COST WORKSHEETS, THE FINANCIAL MECHANISMS, OR  
16 BOTH SO THAT THEY CAN MAKE APPROPRIATE COMMENTS AT THAT  
17 TIME.

18 ANOTHER THING THAT I MIGHT POINT OUT THAT  
19 WE'VE DONE TO THE WORKSHEETS SINCE THE JULY MEETING IS  
20 THAT WE CREATED A COMPUTER VERSION OF THE INITIAL COST  
21 WORKSHEETS FOR USE BY OPERATORS AND CONSULTANTS IN THE  
22 PREPARATION OF THEIR COST ESTIMATES FOR THEIR INDIVIDUAL  
23 LANDFILL. SO FAR, EVEN THOUGH THESE WERE SENT OUT AS  
24 BASICALLY DRAFT LANGUAGE, WE'VE ALREADY RECEIVED SEVERAL  
25 REQUESTS FOR THESE WORKSHEETS ON COMPUTER DISK. AND SO



1 IT SEEMS THAT ASPECT OF IT HAS BEEN WELL RECEIVED AND  
2 THAT'S SOMETHING NEW THIS MONTH.

3 IN TERMS OF SOME OF THE OTHER THINGS THAT  
4 WE'VE DONE TO THE WORKSHEETS, WE'VE RENUMBERED THEM AND  
5 ADDED NEW ELEMENTS AND SO FORTH TO THOSE, AND KIM WILL BE  
6 TALKING ABOUT THOSE IN MORE DETAIL. IN TERMS OF  
7 FINANCIAL MECHANISMS WE ATTEMPTED TO INCORPORATE THE  
8 DIRECTION THAT WE RECEIVED FROM THE BOARD LAST MONTH IN  
9 TRYING TO RESPOND TO THE NUMEROUS COMMENTS WE'VE BEEN  
10 RECEIVING UP UNTIL THIS MORNING, AND CAREN WILL BE  
11 TALKING ABOUT THAT IN MORE DETAIL.

12 SO WITH THAT, I'M GOING TO TURN THE MICROPHONE  
13 OVER TO KIM SCHWAB WHO WILL BE DISCUSSING THE INITIAL  
14 COST ESTIMATES WORKSHEETS AND REALLY HIGHLIGHTING THE --  
15 EITHER THE THINGS THAT WE HAVE RECEIVED COMMENTS OR  
16 CHANGES THAT WE'VE SEEN NECESSARY TO MODIFY IN THE LAST  
17 MONTH.

18 MS. SCHWAB: GOOD MORNING, MR. CHAIRMAN AND BOARD  
19 MEMBERS.

20 AS BILL MENTIONED, SINCE THE LAST BOARD  
21 MEETING WE HAVE RECEIVED NUMEROUS PHONE CALLS AND LETTERS  
22 CONCERNING THE INITIAL COST ESTIMATES WORKSHEET AND  
23 FINANCIAL MECHANISMS FOR CLOSURE AND POSTCLOSURE  
24 MAINTENANCE. THESE COMMENTS AND SUGGESTIONS HAVE COME  
25 FROM STATE, COUNTY, AND CITY AGENCIES, CONSULTING FIRMS



1 AND ASSOCIATIONS INVOLVED IN THE SOLID WASTE DISPOSAL  
2 INDUSTRY.

3 THE REVISED GUIDELINES BEING PRESENTED TODAY  
4 REFLECT CHANGES AND ADDITIONS INCORPORATED FROM REMARKS  
5 BY THE BOARD AND THESE PUBLIC INTERESTS. BEFORE I GO  
6 THROUGH THE DOCUMENT SECTION BY SECTION, I WOULD LIKE TO  
7 ADDRESS A FEW IMPORTANT CONCERNS SOLICITED FROM THE  
8 PUBLIC. ONE OF THE MOST COMMON MISCONCEPTIONS OF THIS  
9 GUIDELINE IS THAT IT IS INTERPRETED AS A REGULATORY  
10 DOCUMENT.

11 AN EXAMPLE DEALS WITH THE GROUNDWATER  
12 MONITORING NETWORK. THE GUIDELINES RECOMMEND ESTIMATING  
13 THE COST OF INSTALLING A MINIMUM OF ONE UP GRADIENT AND  
14 THREE DOWN GRADIENT WELLS. WE DO NOT PROPOSE TO SET  
15 LIMITS FOR OR ENDORSE ANY OF THE CLOSURE OR POSTCLOSURE  
16 ACTIVITIES IN THESE GUIDELINES. INITIAL COST ESTIMATES  
17 SHOULD BE BASED ON THE MOST EXPENSIVE COST OF CLOSURE AT  
18 ANY TIME OVER THE LIFE OF THE FACILITY. THE INTENT OF  
19 THESE INITIAL COST ESTIMATES ARE TO ANTICIPATE THE COST  
20 OF INSTALLING MONITORING SYSTEMS WHICH MAY BE REQUIRED IN  
21 REGULATIONS IN THE FUTURE.

22 ANOTHER CONCERN DEALS WITH PHASED OPERATIONS.  
23 OPERATORS WOULD LIKE TO BE ABLE TO RELATE OPERATIONAL  
24 ACTIVITY COSTS TOWARDS CLOSURE ACTIVITY COSTS; FOR  
25 EXAMPLE, COVER MATERIAL FOR EITHER DAILY, INTERMEDIATE,



1 OR FINAL IS EXCAVATED AND STOCKPILED DURING THE  
2 OPERATIONAL PHASE OF THE LANDFILL. OPERATORS FEEL THE  
3 COSTS OF LABOR AND EQUIPMENT SHOULD BE CONSIDERED WHEN  
4 SUBMITTING INITIAL COST ESTIMATES FOR CLOSURE. STAFF  
5 RECOGNIZES THIS IS A MAJOR CONCERN, BUT WE ARE INTERESTED  
6 IN A SLICE OF TIME. RESOURCES MUST BE AVAILABLE FOR A  
7 THIRD PARTY TO EFFICIENTLY CLOSE A LANDFILL IF THE SITE  
8 IS ABANDONED. THE CLOSURE COST ESTIMATE SHOULD ALWAYS BE  
9 HIGH ENOUGH TO INSURE THAT, IF AT ANY TIME THE FACILITY  
10 HAD TO BEGIN CLOSURE, THE COST OF CLOSURE WOULD NOT  
11 EXCEED THE COST ESTIMATE.

12 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS ARE  
13 NOT REQUIRED TO BE SUBMITTED WITH THESE INITIAL COST  
14 ESTIMATES. THE BOARD HAS NO GUARANTEE THAT OPERATIONS  
15 INCLUDE A PHASED CLOSURE DURING OPERATIONS. WE ARE  
16 ASSUMING THE PLANS DO NOT EXIST AT THIS TIME AND MUST  
17 INSURE RESOURCES WILL BE AVAILABLE TO CLOSE THE LANDFILL  
18 AT ANY TIME.

19 AS STATED IN AB 2448, SECTION 66796.22(E),  
20 "THE EVIDENCE OF FINANCIAL ABILITY REQUIRED OF AN  
21 OPERATOR SHALL BE ADJUSTED TO EQUAL THE ESTIMATED COST OF  
22 CLOSURE AND 15 YEARS OF POSTCLOSURE MAINTENANCE IN THE  
23 APPROVED PLANS. REVISIONS IN THE PLANS PRIOR TO CLOSURE  
24 SHALL BE ACCOMPLISHED BY CORRESPONDING REVISIONS OF COST  
25 ESTIMATES AND FINANCIAL ASSURANCES."



1 TRANSLATED THIS MEANS ADJUSTED COST ESTIMATES  
2 MAY BE SUBMITTED WITH UPDATED PLANS DURING THE FIVE-YEAR  
3 REVIEW PERIOD.

4 OTHER COMMENTS AND SUGGESTIONS THAT WE'VE  
5 GOTTEN OVER THE PHONE AND THROUGH THE MAIL INCLUDE THE  
6 MINIMUM SOIL AND CLAY LAYER MATERIAL THICKNESSES WHICH IS  
7 REQUIRED BY SUBCHAPTER 15, PERIODIC LITTER CLEAN-UP AS A  
8 ROUTINE ACTIVITY, 20 PERCENT CONTINGENCY COSTS TO COVER A  
9 CATASTROPHIC PHENOMENON SUCH AS EARTHQUAKES AND FLOOD,  
10 DRAINAGE, EROSION MONITORING AND CONTROL, ENGINEERING  
11 COSTS FOR DESIGN OF INSTALLING MONITORING NETWORKS, AND  
12 VARIOUS OTHER COMMENTS THAT PERTAIN TO SEPARATE SECTIONS  
13 IN THE WORKSHEET.

14 AS MENTIONED EARLIER, THE REVISED GUIDELINE WE  
15 PRESENT TODAY WILL REVIEW SOME OF THESE ISSUES. THE  
16 STAFF CONTINUES TO BE ENTHUSIASTIC WITH RESPONSES BEING  
17 RECEIVED CONCERNING THESE GUIDELINES, AND WE DEFINITELY  
18 ENCOURAGE CONTINUED PARTICIPATION FROM THE PUBLIC.

19 AT THIS TIME, I WOULD LIKE TO GO OVER SOME OF  
20 THE MAJOR MODIFICATIONS IN PART 1 AND 2 OF THE GUIDELINES  
21 AND THE INITIAL COST ESTIMATE WORKSHEET. CAREN TRGOVCICH  
22 WILL THEN CONTINUE WITH PART 3, FINANCIAL MECHANISMS FOR  
23 CLOSURE AND POSTCLOSURE MAINTENANCE.

24 CHAIRMAN BEAUTROW: WE'VE GOT A QUESTION FOR YOU,  
25 KIM.



1 FIRST OF ALL, DID I UNDERSTAND THAT THERE WAS  
2 SOME COMMENTS THAT SAID IF WE'RE OPERATING A LANDFILL AND  
3 WE'RE GOING TO CLOSE IT AND WE'RE CLOSING IT LITTLE BY  
4 LITTLE, IN OTHER WORDS, THAT YOU ARE NOT TAKING THAT INTO  
5 CONSIDERATION AND THEY -- THAT IS, THE PEOPLE THAT RAISED  
6 THE QUESTIONS WANT THAT TO BE TAKEN -- I'M NOT CLEAR ON  
7 THAT. WHAT'S THE STORY THERE?

8 MR. ORR: IF I COULD FIELD THAT QUESTION. IT HAS  
9 BEEN RAISED IN A LETTER FROM SAN JOAQUIN COUNTY AND THEN  
10 SORT OF REITERATED BY GRCDA. BASICALLY, THE APPROACH  
11 THAT WE TOOK IN THESE OVERALL GUIDELINES WAS THAT THESE  
12 GUIDELINES ARE BEING PREPARED WITHOUT THE BENEFIT OF A  
13 CLOSURE PLAN TO TELL EXACTLY HOW THE CLOSURE IS GOING TO  
14 OCCUR. WHETHER THAT BE IN TERMS OF THE EXACT DETAILS ON  
15 THE NUMBER OF MONITORING WELLS OR WHETHER IT BE HOW  
16 THEY'RE GOING TO PHASE THEIR CLOSURE, WE DON'T REALLY  
17 HAVE A PLAN BY WHICH TO GO ON. SO ALTHOUGH WE BELIEVE  
18 THAT ULTIMATELY THAT CLOSURE IN A PHASED PROCESS CAN BE  
19 ACCOMPLISHED THROUGH REGULATION AND SO FORTH, IT'S SORT  
20 OF HARD FOR US TO SPECULATE IN TERMS OF HOW A PHASED  
21 CLOSURE IS GOING TO OCCUR IF WE DON'T HAVE AN ACTUAL PLAN  
22 TO COMPARE THAT WITH. AND SO WE ARE OPEN TO PHASED  
23 CLOSURE; AND AS WE MENTIONED, I BELIEVE IT WAS AT THE  
24 APRIL MEETING, THAT WE ARE FULLY ENCOURAGING A PHASED  
25 CLOSURE APPROACH. IN TERMS OF THESE INITIAL COST



1 ESTIMATES, IT'S SORT OF DIFFICULT FOR US TO FIGURE OUT  
2 EXACTLY HOW TO DEAL WITH THAT.

3 CHAIRMAN BEAUTROW: YOU ARE NOT FACTORING THAT --  
4 YOU ARE SUGGESTING THAT WE DON'T FACTOR IT IN NOW, THAT  
5 IT'S JUST A TOTAL CLOSURE.

6 MR. ORR: RIGHT. WHAT WE WOULD BE DOING NOW IS  
7 COMING UP WITH TOTAL CLOSURE, BUT IN TERMS OF MONEY THAT  
8 WE'RE ASKING FOR, IT WOULD ONLY BE ONE ANNUAL INCREMENT  
9 ESSENTIALLY TO ESTABLISH THE FUND AT THIS TIME. WHEN  
10 THEY COME OUT WITH THEIR CLOSURE PLAN THAT WOULD DETAIL  
11 HOW THEY WERE GOING TO PHASE THEIR CLOSURE, THAT ESTIMATE  
12 CAN BE ADJUSTED.

13 CHAIRMAN BEAUTROW: OKAY. MR. GALLAGHER.

14 BOARD MEMBER GALLAGHER: COULD I ASK THAT WHEN YOU  
15 GO THROUGH THIS THING, WILL YOU TRY TO IDENTIFY IT BY  
16 PAGE SO THAT WE CAN KEEP WHICH PAGE NUMBER BECAUSE IT'S  
17 DIFFICULT SOMETIMES FOR US UP HERE TO FOLLOW YOU. YOU  
18 ARE FAMILIAR WITH IT, AND WE'RE TRYING TO LOOK AT IT.  
19 THANK YOU.

20 MS. SCHWAB: WHY DON'T WE START OFF ON PART 1, PAGE  
21 10 UNDER SUBMISSION OF CERTIFICATIONS. WE HAVE INCLUDED  
22 IN APPENDIX A A THIRD CERTIFICATION. THE DESCRIPTION OF  
23 THAT IS ON PAGE 11, "THE THIRD CERTIFICATION ENTITLED  
24 'ALTERNATIVE CERTIFICATION FOR NON-OPERATION OR  
25 APPLICABILITY AS A SOLID WASTE LANDFILL,' SHOULD BE



1 COMPLETED BY THE OPERATOR IN LIEU OF THE OTHER  
2 CERTIFICATIONS."

3 IT CAN BE SEEN INDEPENDENTLY ON PAGE 48  
4 THROUGH 51 IN THE BACK OF THE DOCUMENT. THE CONDITIONS  
5 SET IN THE CERTIFICATION INCLUDE IF THE FACILITY DOES NOT  
6 MEET THE DEFINITION OF A SOLID WASTE LANDFILL, THE  
7 FACILITY IS NOT OPERATED AFTER JANUARY 1, 1988, OR THE  
8 FACILITY IS SUBJECT TO THE REGULATIONS OF THE DEPARTMENT  
9 OF HEALTH SERVICES GOVERNING THE CLOSURE AND POSTCLOSURE  
10 MAINTENANCE OF HAZARDOUS WASTE FACILITIES. SO THIS MEANS  
11 IF THEY FILL OUT THIS CERTIFICATION AND ANYTHING APPLIES  
12 TO THEM DOES NOT RELATE TO US, THEY DON'T HAVE TO FILL  
13 OUT THE GUIDELINES. THIS IS IN LIEU OF THE OTHER TWO  
14 CERTIFICATIONS.

15 OKAY. AT THIS POINT LET'S GO TO PAGE 14.  
16 I'VE ADDED TO THE PART 2 INTRODUCTION, "INITIAL CLOSURE  
17 COST ESTIMATES," AND "INITIAL MONITORING AND POSTCLOSURE  
18 MAINTENANCE COST ESTIMATES." I'LL GO THROUGH AND READ A  
19 FEW OF THESE.

20 UNDER INITIAL CLOSURE COST ESTIMATES, "INITIAL  
21 COST ESTIMATES SHOULD REFLECT THE COSTS OF CONDUCTING  
22 CLOSURE IN THE YEAR THAT THE ESTIMATE IS PREPARED. IN  
23 THE FUTURE, THE COST ESTIMATES WILL BE REVISED TO REFLECT  
24 ADDITIONAL PROVISIONS SPECIFIED IN GOVERNMENT CODE  
25 SECTIONS 66796-22(B)(2) AND (E).



1 " INITIAL COST ESTIMATES SHOULD BE BASED ON THE  
2 MOST EXPENSIVE COST OF CLOSURE AT ANY TIME OVER THE LIFE  
3 OF THE FACILITY. THE CLOSURE COST ESTIMATES SHOULD  
4 ALWAYS BE HIGH ENOUGH TO ENSURE THAT IF AT ANY TIME THE  
5 FACILITY HAD TO BEGIN CLOSURE, THE COSTS OF CLOSURE WOULD  
6 NOT EXCEED THE COST ESTIMATE.

7 " INITIAL COST ESTIMATES MUST EQUAL THE MAXIMUM  
8 COSTS OF CLOSING ALL UNITS NOT CURRENTLY CLOSED IN  
9 ACCORDANCE WITH AN APPROVED CLOSURE PLAN. "

10 AND THEN IT GOES ON TO LIST A MAXIMUM COST OF  
11 CLOSURE THAT ARE INCORPORATED IN THE WORKSHEET. THEY MAY  
12 NOT BE SPECIFICALLY LISTED, BUT THEY SHOULD BE CONSIDERED  
13 WHEN GIVING US AN ANNUAL COST ESTIMATE FEE.

14 UNDER " INITIAL MONITORING AND POSTCLOSURE  
15 MAINTENANCE COST ESTIMATES, " I WANT TO JUST HIGHLIGHT THE  
16 FACT THAT THERE MUST BE 15 -- THE FIRST 15 YEARS MUST BE  
17 CONSIDERED IN THE FINANCIAL ASPECT FOR THE POSTCLOSURE  
18 CARE PERIOD. INITIAL COST ESTIMATES SHOULD INCLUDE  
19 REGULAR ACTIVITIES, LESS FREQUENT ACTIVITIES. AND THEN  
20 ON PAGE 15, MAXIMUM COSTS OF MONITORING AND POSTCLOSURE  
21 MAINTENANCE SHOULD INCLUDE OR REFLECT LABOR, MATERIALS,  
22 THINGS OF THAT NATURE THAT SHOULD BE INCLUDED IN THE  
23 ANNUAL COST ESTIMATES.

24 BOARD MEMBER GALLAGHER: MR. CHAIRMAN. ON THAT  
25 ISSUE WITH THE VOLATILITY IN THE FINANCIAL MARKETS AND



1 INFLATION AND ALL THAT'S GOING ON, IT IS YOUR INTENT,  
2 THEN, THAT DURING THE FIVE-YEAR REVIEW PERIOD THAT WILL  
3 BE BROUGHT UP TO WHATEVER THE STANDARDS ARE FOR THE DAY?

4 MR. ORR: LET ME ANSWER THAT ONE AS WELL. OUR  
5 INTENT IS THAT WE ENVISION TWO SORT OF REVIEW CYCLES.  
6 THE ONE REVIEW CYCLE WOULD BE TO ACCOUNT FOR THINGS SUCH  
7 AS INFLATION OR SOME KIND OF STAGGERING OVERALL BLANKET  
8 INCREASE IN COSTS AND THAT WOULD OCCUR ACROSS THE BOARD.  
9 AND THEN IN ADDITION TO THAT WE WOULD ENVISION EVERY FIVE  
10 YEARS REVIEWING THE CLOSURE PLAN ON AN ITEMIZED BASIS AND  
11 ADJUSTING THE COSTS BASED ON THOSE INDIVIDUAL ITEMS OR  
12 BASED ON THE FACT THAT SOME OF THE THINGS IN THE PLAN MAY  
13 HAVE ALREADY BEEN IMPLEMENTED. SO IN TERMS OF KEEPING  
14 THOSE COSTS CURRENT, THE TWO WAYS THAT WE WOULD ENVISION  
15 WOULD BE FIRST ON AN ANNUAL ACROSS THE BOARD TO REFLECT  
16 INFLATION OR SOME FACTOR, AND THEN EVERY FIVE YEARS TO  
17 LOOK AT THE ACTUAL PLAN AND MAKE SURE THAT THOSE COSTS  
18 ARE IN LINE AND UP TO DATE.

19 BOARD MEMBER GALLAGHER: NOW, IS THIS SOMEHOW TIED  
20 INTO THE ENFORCEMENT PROGRAM WHERE SOMEBODY WILL BE  
21 INDIVIDUALLY LOOKING AT INDIVIDUAL LANDFILLS BECAUSE  
22 THERE'S NO WAY YOU'RE JUST GOING TO HAVE A BLANKET KIND  
23 OF A THING UNLESS THERE IS A CATASTROPHE OR SOMETHING  
24 LIKE THAT.

25 MR. ORR: YEAH, IT WILL BE TIED TO THE FIVE-YEAR --



1 THE FIVE-YEAR ASPECT WILL BE TIED TO INDIVIDUAL  
2 LANDFILLS, AND IT WILL BE TALKING ABOUT HOW WE ENVISION  
3 THAT IN ITEM NO. 2 THAT TALKS ABOUT THE ADOPTION AND  
4 APPROVAL PROCESS FOR THE CLOSURE PLANS.

5 BOARD MEMBER GALLAGHER: THANKS.

6 MS. SCHWAB: CONTINUING ON PAGE 15, THERE'S SEVERAL  
7 PARAGRAPHS CONCERNING THE LOTUS 1-2-3 SOFTWARE SPREAD  
8 SHEET THAT I'VE PUT TOGETHER ON DISK. WE WANT TO STRESS  
9 THAT ALONG WITH THIS DISK, WHEN WE GET THAT IN RETURN TO  
10 THE BOARD, WE WOULD ALSO LIKE TO HAVE A PRINTOUT OF THE  
11 SUMMARY OF INITIAL COST ESTIMATES AND THE COMPLETED  
12 CERTIFICATION, SO WE DO WANT THOSE IN WRITING AND SIGNED  
13 ALONG WITH THE DISK.

14 WE ALSO HAVE BECOME AWARE THAT MAYBE SOME OF  
15 THE LEA'S DO NOT HAVE A COMPUTER COMPATIBLE WITH THIS  
16 DISK, SO OPERATORS SHOULD CONTACT THEIR LEA TO FIND OUT  
17 IF THEY SHOULD SUBMIT ON DISK FORM OR IN WRITTEN FORM.  
18 BE AWARE OF THAT FACT.

19 ON PAGE 16, AS I GO THROUGH THE WORKSHEET, I  
20 WILL COMMENT ON A FEW THINGS THAT WE HAVE ALREADY  
21 INCORPORATED THAT ARE NOT IN THIS DOCUMENT, VERY FEW. ON  
22 PAGE 16 UNDERNEATH "SITE DESCRIPTION," IN THE FIRST  
23 PARAGRAPH I HAVE INCLUDED A LINE THAT SAYS "PREPARED BY."  
24 SO THE PERSON THAT PREPARES THIS DOCUMENT WILL HAVE HIS  
25 NAME THERE, HIS OR HER NAME. THAT'S BETWEEN SITE



1 DESCRIPTION AND GENERAL SITE INFORMATION.

2 ONE CHANGE AND SOMETHING THAT I WOULD LIKE TO  
3 CLARIFY IN NO. 1 ON THAT SAME PAGE IS THERE SEEMS TO BE A  
4 COMMON MISCONCEPTION THAT BETWEEN THE NEW AND THE OLD  
5 CLASSIFICATION, THESE TWO COLUMNS ARE MEANT TO BE  
6 SEPARATE AND DO NOT CORRELATE ACROSS. EITHER YOU HAVE A  
7 NEW CLASSIFICATION OR YOU ARE STILL UNDER AN OLD  
8 CLASSIFICATION; FOR EXAMPLE, CLASS 2 IN THE NEW DOES NOT  
9 NECESSARILY MEAN THAT IT SHOULD BE INCLUDED IN CLASS 2-2  
10 OF THE OLD. SO THOSE ARE CONSIDERED SEPARATE COLUMNS.

11 CHAIRMAN BEAUTROW: KIM, YOU HAVE THE SITE  
12 OPERATOR. WHY IS THERE NO PROVISION FOR THE OWNER?

13 MS. SCHWAB: THAT HAS BEEN ONE OF THE COMMENTS. WE  
14 POSSIBLY WILL PUT THAT IN.

15 CHAIRMAN BEAUTROW: WHY DON'T YOU JUST PUT SITE  
16 OPERATOR SLASH OWNER? THEY CAN PUT BOTH ON THAT SAME  
17 LINE OR SOMETHING.

18 MS. SCHWAB: OKAY, WE'LL DO THAT. THANK YOU.

19 CHAIRMAN BEAUTROW: THEY MAY OR MAY NOT BE THE  
20 SAME. WE REALIZE THAT WE SHOULD HAVE AN IDENTIFICATION  
21 SOMEHOW.

22 BOARD MEMBER VARNER: THEY WILL BE IDENTIFIED  
23 SEPARATELY THOUGH.

24 MR. EOWAN: I THINK WE SHOULD HAVE A SEPARATE LINE.

25 MS. SCHWAB: YEAH, SEPARATE LINE. OKAY.



1 I JUST WANT TO GO OVER SOME MAJOR CHANGES;  
2 THERE ARE SOME MINOR ONES. WHY DON'T WE GO TO PAGE 25.  
3 WE HAVE INCLUDED IN THE CLOSURE PART OF THE GUIDELINES  
4 DRAINAGE AND SECURITY.

5 NO. 35 IS THE DRAINAGE. IT ASKS WHAT TYPE OF  
6 RUN-ON AND RUN-OFF CONTROL SYSTEM IS AVAILABLE; AND, IF  
7 NOT, WHAT WILL BE THE COST OF INSTALLATION OF THAT TYPE  
8 OF NETWORK SYSTEM.

9 SECURITY, WE'VE INCLUDED THAT AND ON PAGE 26,  
10 IF THERE IS NO SECURITY, WHAT WOULD BE INCLUDED IN THE  
11 SITE; WHETHER FENCING, GATES, SIGNS, LOCKS ON THOSE  
12 GATES, AND THINGS OF THAT NATURE, AND HOW MUCH IT WOULD  
13 COST TO INCLUDE THAT SECTION.

14 CHAIRMAN BEAUTROW: I'D LIKE TO ASK KIND OF A  
15 STRANGE QUESTION, BUT DID WE TAKE A HYPOTHETICAL EXAMPLE  
16 AND ACTUALLY GO THROUGH AND FILL OUT THIS COMPLETE THING  
17 FOR A GIVEN LANDFILL TO KNOW THAT IT WORKS? I MEAN,  
18 THAT'S ALWAYS THE TEST, WHEN YOU GET IT OUT IN THE REAL  
19 WORLD DOES IT WORK? DID WE ACTUALLY DO THIS? HAVE WE --

20 MR. EOWAN: NO.

21 MR. ORR: NO, WE DID NOT.

22 CHAIRMAN BEAUTROW: SEE WHERE I SEE KIND OF  
23 FERTILIZER, AND I'M JUST WONDERING -- NOT WONDERING, I  
24 JUST WANT TO MAKE SURE WE'RE IN THE REAL WORLD AND WE  
25 DON'T HAVE THINGS IN HERE THAT ARE GOING TO CAUSE ALL



1 KINDS OF PROBLEMS.

2 MR. EOWAN: THAT'S A GOOD POINT AND THAT'S EXACTLY  
3 THE REASON WHY WE'RE HAVING THIS DISCUSSION TODAY TO GET  
4 ALL THE COMMENTS THAT WE CAN. AND, HOPEFULLY, THOSE THAT  
5 HAVE REQUESTED THIS ALREADY WILL BE ABLE TO GIVE US THE  
6 KIND OF FEEDBACK THAT YOU ARE TALKING ABOUT.

7 CHAIRMAN BEAUTROW: I SUGGEST THAT AS A REAL TEST  
8 SOMEWHERE DOWN THE LINE HERE.

9 MR. ORR: WE'VE BEEN WORKING ON DOING THAT. ONE OF  
10 THE THINGS IS THAT WE'VE BEEN TRYING TO FIND, YOU KNOW,  
11 IF WE HAD ONE THAT WE COULD -- ACTUALLY HAD THE  
12 INFORMATION AND JUST PLUG IT IN, WE'D DO THAT. WHAT  
13 WE'VE BEEN TRYING TO DO IS DEVELOP A HYPOTHETICAL TO RUN  
14 ALL THE WAY THROUGH.

15 ONE OF THE THINGS THAT REALLY HELPED WITH THE  
16 WORKSHEET THIS MONTH IN MAKING SURE THAT THINGS FIT  
17 TOGETHER, AT LEAST, WAS IN PREPARING THIS ELECTRONIC  
18 VERSION. WE WERE ABLE TO VERIFY ALL THE FORMULAS TO MAKE  
19 SURE THAT THEY ALL ADDED UP AND SO FORTH. SO IN TERMS OF  
20 CONNECTING IT TO THE REAL WORLD, WE'RE STILL OPEN TO  
21 INPUT IN TERMS OF WHETHER SOME OF THESE THINGS ARE  
22 REASONABLE TO ASK FOR. IN TERMS OF BEING ABLE TO FIT  
23 THIS TOGETHER AND SAY, YES, THIS WORKSHEET WORKS, I THINK  
24 THAT THE COMPUTER VERSION REALLY HELPED US TO DEBUG IT  
25 THIS MONTH.



1 CHAIRMAN BEAUTROW: PROCEED.

2 MS. SCHWAB: THE TRUTH WILL COME IN REALITY WHEN WE  
3 GET ONE BACK. LET'S GO ON TO PAGE 27, "POSTCLOSURE  
4 MONITORING AND MAINTENANCE COST."

5 WE HAVE ADDED REVEGETATION, NOS. 37, 38, AND  
6 39, INCLUDING FERTILIZING, IRRIGATION, THINGS OF THAT  
7 NATURE, WHICH WE FEEL SHOULD BE INCLUDED IN THE  
8 POSTCLOSURE AND MAINTENANCE PERIOD. THERE MAY BE STORMS  
9 THAT COME UP AND YOU WILL HAVE SEVERE EROSION, AND WE  
10 FEEL THAT THERE SHOULD BE SOME SORT OF MONITORING TO TAKE  
11 CARE OF THAT SO THERE IS NO EXPOSED WASTE IN THE FUTURE.

12 ONE CORRECTION THAT WE WILL BE MAKING ON 38(E)  
13 IS TO CONVERT THAT TO A DOLLAR-PER-YEAR VALUE. WE WILL  
14 BE CHANGING UNDER ANNUAL IRRIGATION COSTS, MULTIPLYING  
15 THAT WEEKLY IRRIGATION DAYS TO 52 WEEKS, AND THAT WILL  
16 GIVE US AN ANNUAL COST ON PAGE 27, 38(E).

17 WHAT WE'VE DONE ALSO THAT WAS NOT IN THE LAST  
18 GUIDELINE IS WE'VE RENUMBERED EVERYTHING SO THAT THEY'RE  
19 CONTINUOUS. THEY ARE NOT SEPARATE SECTIONS, BUT 1  
20 THROUGH 50 OR WHATEVER.

21 AND WE'VE ALSO IN THE POSTCLOSURE AND  
22 MONITORING AND MAINTENANCE, BECAUSE IT SHOULD BE FINANCED  
23 FOR 15 YEARS, WE'VE TRIED TO CONVERT EVERYTHING TO AN  
24 ANNUAL COST SO AT THE END OF THE SUMMARY SHEET WE CAN  
25 MULTIPLY THESE COSTS TIMES 15 YEARS. WE'LL GO OVER THAT



1 AT THE END.

2 OKAY. CONTINUING ON ON PAGE 28, NO. 44, WE'VE  
3 ADDED LEACHATE SAMPLING AND TESTING AND A FEW MORE EXTRA  
4 COSTS WE DECIDED TO ITEMIZE. WE'VE RELOCATED THE VADOSE  
5 ZONE MONITORING THAT USED TO BE IN THE GUIDELINE TO THE  
6 MONITORING SECTION, AND YOU WILL FIND THAT ON PAGE 30.  
7 AND AS YOU CAN SEE GOING THROUGH EACH ONE OF THESE  
8 SECTIONS, WE'VE ADDED "ASSUMED REPLACEMENT FREQUENCY OF  
9 DEVICES" OR THINGS OF THAT NATURE SO WE CAN INCORPORATE  
10 THAT INTO OUR ANNUAL COSTS.

11 ON PAGE 31, NO. 50 AND 51, WE'VE ADDED  
12 DRAINAGE AND SECURITY IN THE MONITORING AND MAINTENANCE  
13 SECTION TO MAKE SURE THAT IF THERE IS A DRAINAGE SECTION  
14 THERE, WHICH SHOULD BE BY POSTCLOSURE TIME, THAT  
15 MATERIALS CLEARED FROM THE RUN-OFF SURFACE WATER  
16 CONVEYANCES, RUN-ON PROBLEMS SUCH AS EROSION AND REPAIR,  
17 MINOR GRADING, AND THINGS OF THAT NATURE ARE CONSIDERED  
18 AND TAKEN CARE OF.

19 UNDER SECURITY, ANY TYPE OF VANDALISM THAT MAY  
20 GO ON, LOCKS THAT ARE BROKEN, FENCES ARE CUT, SOMETHING  
21 OF THAT NATURE, THAT WILL BE TAKEN OF.

22 WE'VE ALSO COME UP WITH A QUESTION FROM  
23 OPERATORS AND RELATED FIRMS ON WHAT TO DO WITH THE  
24 SECURITY EQUIPMENT WHEN THE AREA IS CLOSED. SAY, THEY  
25 WANT TO PUT IN A GOLF COURSE, THEY DON'T NEED A SECURITY



1 FENCE AROUND EVERYTHING. WHAT WE ARE CONCERNED WITH IS  
2 SECURING ANY TYPE OF GAS MONITORING EQUIPMENT OR  
3 GROUNDWATER WELLS, THINGS OF THAT NATURE THAT SHOULD BE  
4 SECURED TO PROTECT THE PUBLIC. SO WE WILL ADDRESS THAT  
5 IN THE FUTURE; AND IF YOU HAVE ANY COMMENTS CONCERNING  
6 THAT, WE'D APPRECIATE IT.

7 AND ON PAGE 32, WE'VE LISTED A FEW COMPONENTS  
8 THAT SHOULD BE INSPECTED. IF THERE ARE ANY ITEMS THAT  
9 YOU WOULD LIKE TO ADD ON TO THAT LIST, WE'D BE HAPPY TO  
10 PUT THOSE ON JUST TO MAKE SURE EVERYTHING IS COVERED.  
11 WE'VE INCLUDED A FINAL COVER, GRADING, EROSION CONTROLS,  
12 GAS COLLECTION, LEACHATE COLLECTION, SECURITY, VECTOR,  
13 AND FIRE CONTROL, THINGS OF THAT NATURE.

14 OKAY. AT THIS POINT ONE OF THE MOST IMPORTANT  
15 PAGES FOR THE WORKSHEET IS PAGE 33. WE HAVE INCLUDED A  
16 SUMMARY OF INITIAL COST ESTIMATES. NOW, ON THE --

17 BOARD MEMBER GALLAGHER: COULD YOU BACK UP TO THAT  
18 ONE, MR. CHAIRMAN? AND IT SEEMS TO ME THAT I'VE LOOKED  
19 AT A FEW CLOSED LANDFILLS. THERE STILL IS A TENDENCY, IF  
20 THEY ARE FENCED, TO HAVE A LITTER CONTROL PROBLEM. THERE  
21 ARE THINGS THAT BLOW UP AGAINST FENCES FROM A LOT OF  
22 DIFFERENT PLACES, AND IT WOULD SEEM TO ME WE OUGHT TO  
23 HAVE SOME SORT OF A LITTER INSPECTION AND MAINTENANCE  
24 OVER THE PERIOD.

25 MS. SCHWAB: YES. THAT WAS ONE OF THE CONCERNS



1 THAT SOMEONE ELSE HAD MENTIONED ALSO. WE'LL PUT THAT IN  
2 THERE. SORT OF A GENERAL UPKEEP OF THE AREA, DEFINITELY.

3 CHAIRMAN BEAUTROW: ANY SIGNING THAT SHOULD --  
4 SIGNS THAT ARE NEEDED TO BE IN PLACE THAT SEEMINGLY  
5 DISAPPEAR OVER TIME AND THAT SHOULD BE REVIEWED FOR  
6 APPROPRIATE SIGN, LIKE NO TRESPASSING OR WHATEVER?

7 MS. SCHWAB: DEPENDING ON WHAT THE USE OF THE  
8 CLOSED LANDFILL, YES. WELL, I HAVE THAT UNDER SECURITY.  
9 MAINTENANCE OF FENCING, GATES, LOCKS, SIGNS, AND THINGS  
10 OF THAT NATURE. I CAN ADD THAT TO THE INSPECTION SECTION  
11 IF YOU WOULD LIKE.

12 OKAY. BACK TO THE "SUMMARY OF INITIAL COST  
13 ESTIMATES." ON THE SPREAD SHEET THESE VALUES WILL BE  
14 AUTOMATICALLY CALCULATED, AND THESE WILL BE ALL PROTECTED  
15 IN THE WORKSHEETS SO THAT THE NUMBERS CANNOT BE CHANGED.  
16 ALSO, ALL THE FORMULAS I'VE PUT IN THERE CANNOT BE  
17 CHANGED; THEY WILL BE PROTECTED ALSO. THE GOOD PART OF  
18 THIS IS IF THEY GO IN AND SAY, "WELL, WE WILL LOWER THE  
19 COSTS OR RAISE THE COSTS," IF THEY JUST PUT IN A NEW  
20 NUMBER, EVERYTHING IS AUTOMATICALLY RECALCULATED FOR  
21 THEM. SO WE'LL TRY TO KEEP OUT THE HUMAN ERROR.

22 CHAIRMAN BEAUTROW: I WOULD SAY THAT 20-PERCENT  
23 CONTINGENCY IS PRETTY DOGGONE HIGH. I MEAN, ANYBODY  
24 THAT'S GOING TO MAKE ALL THESE ESTIMATES IS GOING TO  
25 OBVIOUSLY INCLUDE CONTINGENCIES THEMSELVES, BUT FOR US TO



1 GO AT THE BOTTOM LINE AND ADD 20 PERCENT -- WHAT'S YOUR  
2 THINKING ON THAT BEFORE I MAKE ANY MORE COMMENTS?

3 MR. ORR: IN TERMS OF THE CONTINGENCY FACTOR,  
4 ADDING A CONTINGENCY WAS SOMETHING THAT WAS SUGGESTED IN  
5 THE COMMENTS THAT WE RECEIVED, AND THE PERSON THAT  
6 SUGGESTED THAT SUGGESTED THE 20-PERCENT FIGURE, WHICH I  
7 HAVE USED PERSONALLY ON PROJECTS MYSELF.

8 TO LET YOU KNOW SOME OF THE THINGS THAT WE  
9 WOULD SORT OF PUT INTO THAT CONTINGENCY, WE BASICALLY  
10 WANT PEOPLE TO ITEMIZE OUT OR ACCOUNT FOR, AS CLOSELY AS  
11 POSSIBLE, ALL OF THE DIFFERENT THINGS THAT THEY CAN.

12 WHAT WE'RE TRYING TO INCLUDE HERE, MAYBE IT  
13 ISN'T WHAT YOU MIGHT VIEW AS YOUR TRADITIONAL  
14 CONTINGENCIES, IT WOULD INCLUDE SUCH THINGS AS  
15 CATASTROPHIC EVENTS LIKE A MAJOR WASHOUT THAT IS NOT  
16 ACCOMMODATED WITHIN YOUR ANNUAL ROUTINE MAINTENANCE  
17 ACTIVITIES. IT MIGHT ALSO INCLUDE THINGS THAT WERE  
18 TOTALLY UNACCOUNTED FOR IN THE COST ESTIMATES AT ALL.

19 THE OTHER THING, AND THIS WOULD BE WITHIN A  
20 GIVEN PERIOD OF TIME, SAY, BETWEEN NOW AND WHEN THE  
21 CLOSURE PLAN IS ADOPTED, THE COSTS ARE GOING TO ESCALATE  
22 AS WELL. SO IN A SENSE IT'S SORT OF A BLANKET FIGURE.  
23 IF THERE'S ANOTHER FIGURE -- WE RECEIVED SOME COMMENTS  
24 SAYING 20 PERCENT IS A GOOD FIGURE. YOU NEED TO PUT IN A  
25 CONTINGENCY FACTOR. WE'VE RECEIVED OTHER COMMENTS SAYING



1 YOU NEED A CONTINGENCY FACTOR, BUT MAYBE 20 PERCENT IS  
2 TOO HIGH. THAT'S BASICALLY WHERE IT IS. THE PEOPLE THAT  
3 SUGGESTED MAYBE IT WAS TOO HIGH DID NOT SUGGEST AN  
4 ALTERNATIVE FIGURE.

5 CHAIRMAN BEAUTROW: I JUST WANTED TO MAKE SURE THAT  
6 IT ISN'T IN THERE TWICE. LIKE EVERYBODY CRANKS UP  
7 CONTINGENCY AND OVERRIDES, AND THEN WE GO IN AT THE END  
8 AND ADD IN 20 PERCENT MORE. ALSO, THIS IS GOING TO BE IN  
9 1989 DOLLARS WHEN THIS THING IS FINALLY -- THIS HAS TO BE  
10 IN NEXT YEAR, RIGHT?

11 MR. ORR: RIGHT.

12 CHAIRMAN BEAUTROW: BUT I DON'T THINK WHEN YOU SAY  
13 THE CONTINGENCY, I DON'T BELIEVE MY UNDERSTANDING OF THAT  
14 IS FOR THE UNFORESEEN, BUT IT CERTAINLY ISN'T AN  
15 INFLATION FACTOR.

16 MR. ORR: NO. IT'S REALLY INTENDED FOR THINGS THAT  
17 CAN'T BE ACCOUNTED FOR BY FILLING OUT THE WORKSHEETS.

18 BOARD MEMBER GALLAGHER: IT DOES, HOWEVER, ADD TO  
19 THE OPERATOR'S COST FOR HIS TRUST FUND OR WHATEVER HE'S  
20 INVOLVED IN, AND WE DID NOT RECEIVE ANY NEGATIVE  
21 REACTIONS TO THAT.

22 MR. ORR: LIKE I SAID, WE RECEIVED TWO SCHOOLS OF  
23 COMMENTS. ALL OF THEM RECOGNIZED THE NEED FOR A  
24 CONTINGENCY, AND THE INITIAL FIGURE THAT WAS SUGGESTED  
25 WAS 20 PERCENT. AND WE HAVEN'T RECEIVED AN ALTERNATIVE



1 FIGURE IN TERMS OF SAYING, WELL, 15 PERCENT OR 18 PERCENT  
2 OR 10 PERCENT WOULD BE MORE REASONABLE.

3 MAYBE SOME OF THE PEOPLE THAT WE'LL BE HEARING  
4 FROM LATER ON WILL HAVE ANOTHER SUGGESTED FIGURE.

5 BOARD MEMBER VARNER: MR. CHAIRMAN, IN VIEW OF  
6 THAT, AS YOU ARE TALKING ABOUT IT, THEN, WHETHER IT'S PRO  
7 OR CON, WE OUGHT TO HAVE SOME KIND OF CRITERIA TO  
8 DETERMINE WHY IT SHOULD BE 20 PERCENT OR WHY IT SHOULDN'T  
9 BE 20 PERCENT. OTHERWISE, YOU ARE JUST ARBITRARILY  
10 PICKING A FIGURE OUT OF THE AIR, AND IT MAY NOT HAVE ANY  
11 VALIDITY TO WHAT WE'RE TALKING ABOUT. SO I WOULD THINK  
12 THAT THOSE WHO WANT TO COMMENT ON IT, LET THEM GIVE SOME  
13 RATIONALE AS TO WHAT THEIR REASONING IS, AND THAT'S THE  
14 ONLY WAY WE CAN MAKE JUDGMENTS AS TO WHAT IT SHOULD BE.

15 BOARD MEMBER GALLAGHER: MR. CHAIRMAN, AS A BOARD  
16 MEMBER, I DON'T HAVE ANY OBJECTIONS TO A CONTINGENCY FEE,  
17 BUT WE'RE TALKING ABOUT A LOT OF BUCKS. AND EVERY DOLLAR  
18 THAT HAS TO GO AGAINST THIS HAS TO BE LOOKED AT IN LIGHT  
19 OF TAKING AWAY FROM WORKING CAPITAL AND ALL THE OTHER  
20 THINGS. SO I'D WANT TO STUDY THAT PRETTY CAREFULLY  
21 BEFORE WE, YOU KNOW, JUST COME OUT WITH AN ACROSS THE  
22 BOARD 20 PERCENT.

23 CHAIRMAN BEAUTROW: WE'VE RAISED THE ISSUE.

24 MR. ORR: LET ME JUST SUGGEST AN APPROACH TO SEE IF  
25 THAT WILL ACCOMMODATE THINGS. FIRST OF ALL, BASICALLY,



1 WE'VE TRIED TO COME UP WITH NUMBERS TO COMPARE APPLES AND  
2 APPLES FOR THE PURPOSES OF THESE INITIAL COST ESTIMATES.  
3 IN TERMS OF THE ACTUAL MONEY THAT PEOPLE ARE GOING TO  
4 NEED TO SET ASIDE, AT THIS TIME WE'RE ONLY ASKING FOR ONE  
5 INCREMENT WORTH OF MONEY TO BE SET ASIDE.

6 SO ALTHOUGH -- SEE, FOR EXAMPLE, A LANDFILL  
7 WILL BE OPEN FOR 20 YEARS. THEY WOULD BASICALLY AT THIS  
8 TIME ONLY HAVE TO COME UP WITH ONE-TWENTIETH OF THE  
9 AMOUNT OF MONEY. IF THEY'RE GOING TO BE OPEN FOR 50  
10 YEARS, ONE-FIFTIETH IS THE AMOUNT TO SET ASIDE RIGHT NOW.

11 WHAT WE WOULD LIKE TO DO IN TERMS OF  
12 ESTABLISHING A FIRMER CRITERIA WOULD BE TO DEAL WITH THAT  
13 IN THE CONTEXT OF THE REGULATIONS SO THAT WHEN WE GET THE  
14 PLAN AND WE ARE HAVING TO PUT ASIDE A MORE SUBSTANTIAL  
15 AMOUNT OF THAT CLOSURE COSTS, THAT WE WOULD HAVE THAT  
16 CRITERIA IN REGULATION OR THE CRITERIA FOR SELECTING A  
17 CONTINGENCY FACTOR.

18 BOARD MEMBER ARAKALIAN: BASED ON WHAT YOU ARE  
19 SAYING THERE WITH THE TIME ELEMENT, WHAT HAPPENS IN THE  
20 CASE OF LANDFILLS THAT HAVE ALREADY BEEN THERE A LONG  
21 TIME AND, SAY, THEY'RE A PRETTY GOOD SIZE LANDFILL, BUT  
22 THEY ONLY HAVE VERY FEW YEARS LEFT. NOW, THIS IS BEING  
23 INITIATED NOW. WE'RE TALKING ABOUT A PROGRAM WHERE A  
24 LANDFILL HAS 20 YEARS LIFE LEFT AND BREAK THIS COST INTO  
25 20-YEAR INCREMENTS.



1                   WHAT HAPPENS WHEN THERE IS A LANDFILL THAT'S  
2 GOT, SAY, THREE YEARS OR TWO YEARS LEFT? THIS LARGE  
3 NUMBER BEING SPLIT ONLY IN TWO PIECES INSTEAD OF 20  
4 PIECES OR 50 PIECES, AS YOU SAY, CAN BE AN ASTRONOMICAL  
5 NUMBER IF THESE PEOPLE HAVEN'T BEEN PRIOR TO THIS SETTING  
6 ASIDE THESE FUNDS, AND WE HAVEN'T ASKED THEM TO. HOW DO  
7 WE DEAL WITH THAT? HOW DO THEY DEAL WITH IT?

8                   MR. ORR: I THINK THAT'S GOING TO BE A MAJOR ISSUE  
9 IN TERMS OF ESTABLISHING A PROGRAM. OBVIOUSLY, YOU'VE  
10 GOT TO CONSIDER THE SHORT-TERM SITUATION. NOW, IF YOU  
11 HAVE A LANDFILL THAT, SAY, IS CLOSING IN TWO OR THREE  
12 YEARS, IF THEY DON'T HAVE A BIG POT OF MONEY AT THIS TIME  
13 TO CLOSE THAT LANDFILL IN TWO OR THREE YEARS, HOW ARE  
14 THEY GOING TO CLOSE THE LANDFILL IN TWO OR THREE YEARS?  
15 I MEAN, WE MAY BE ASKING FOR A QUARTER OF IT OR HALF OF  
16 IT NOW. THE LARGER QUESTION IS HOW, IN FACT, IS THIS  
17 LANDFILL GOING TO CLOSE IF IT DOESN'T HAVE ANY PART OF  
18 THAT MONEY RIGHT NOW?

19                  BOARD MEMBER ARAKALIAN: WELL, WHAT YOU HAVE TO  
20 REMEMBER IS FOR THE FUTURE IT'S NOT GOING TO BE SIMPLE,  
21 BUT IT'S FEASIBLE TO WORK. THEY'RE GOING TO PAD THIS  
22 INTO THEIR COST, AS YOU'RE SEEING ALREADY, WITH THE NEW  
23 BIG HIKES ALL OF A SUDDEN IN LANDFILL RATES WHICH IS FINE  
24 AND DANDY, BUT THEY'RE PLANNING FOR THE FUTURE WITH THESE  
25 NEW RISES. WELL, THE PEOPLE WEREN'T TACKING THIS ON



1 BEFORE, AND -- WELL, TO BE REALISTIC THEY'RE NOT GOING TO  
2 HAVE THAT KIND OF MONEY, I DON'T CARE WHO THEY ARE.  
3 YOU'RE TALKING ABOUT BIG MONEY; AND IF A PERSON HASN'T  
4 PREVIOUSLY PUT IT ASIDE AND ACCOUNTED FOR IT, YOU'VE GOT  
5 TO ASSUME THEY'RE NOT ACCIDENTALLY GOING TO HAVE 50  
6 MILLION THAT THEY DIDN'T KNOW WHAT ELSE TO DO WITH. YOU  
7 KNOW, WE'RE NOT TALKING ABOUT A HUNDRED BUCKS, YOU KNOW.

8 MR. ORR: I AGREE. THAT IS A PROBLEM, AND I'M NOT  
9 SURE THAT WE CAN FIX THAT EITHER BY A REGULATION OR BY  
10 THE INITIAL COST. THEY'RE GOING TO HAVE TO COME UP WITH  
11 THE MONEY FROM SOMEWHERE AND WHAT THOSE SOURCES OF MONIES  
12 ARE GOING TO BE IS GOING TO HIT THEM IN THE FACE AT SOME  
13 POINT.

14 BOARD MEMBER ARAKALIAN: NOT GOING TO BE ANY  
15 GOVERNMENT SUPPORT ON THIS SO THAT -- ARE YOU GOING TO --  
16 SAY THEY CAN'T GET THE MONEY. AND, AS THEY SAY, YOU  
17 CAN'T GET BLOOD FROM A TURNIP. OR THE WORST YOU CAN DO  
18 IS BANKRUPT THEM, PUT THEM OUT OF BUSINESS. FINE, THAT  
19 PLACE STILL NEEDS CORRECTION, AND WHO'S GOING TO PAY FOR  
20 THAT AFTER YOU BUSTED THE PERSON OUT?

21 THIS IS GOING TO BE JUST AS DANGEROUS TO BE IN  
22 THE GROUND THERE UNMONITORED AND UNTAKEN CARE OF WHETHER  
23 THE COMPANY IS SOLVENT OR INSOLVENT. WHO TAKES OVER THE  
24 REINS THERE BECAUSE, OBVIOUSLY, WE'RE ALL COMING INTO A  
25 NEW ERA WHERE WE'RE ALL GETTING WISED UP AND NEW



1 TECHNOLOGY COMING IN, AWARENESS IS COMING IN, BUT WAY  
2 LATE, OBVIOUSLY. AND THE NEW LANDFILLS AND THE YOUNG  
3 LANDFILLS WILL BE ABLE TO PREPARE FOR IT, BUT MOST OF THE  
4 EXISTING LANDFILLS AREN'T NEW LANDFILLS. THEY'RE -- MOST  
5 OF THEM HAVE A VERY SHORT LIFE.

6 WE CONTINUALLY PUT ON THAT SCREEN EVERY TIME  
7 WE TALK ABOUT LANDFILLS, BUT PRETTY NEAR EVERY ONE OF  
8 THEM WILL BE OUT IN FOUR OR FIVE YEARS. THEY TALK ABOUT  
9 THE CRISIS IN '90 AND '91. THAT IS FOUR TO FIVE YEARS.  
10 WE'RE NOT GOING TO HAVE ANY LANDFILLS. WE'RE GOING TO  
11 RUN OUT OF LANDFILL CAPACITY, WHICH SHOWS YOU WHAT?  
12 SHOWS YOU ALL OR DARN NEAR ALL ARE ALREADY WITHIN ONE,  
13 TWO, THREE YEARS. WE DON'T HAVE THAT MANY THAT ARE FIVE  
14 YEARS.

15 SO WE'RE NOT TALKING ABOUT -- IRONICALLY, YOU  
16 SEE WE'LL ADDRESS THAT AND I'M NOT BUM-RAPPING YOU. I'M  
17 JUST TELLING YOU. IT ALMOST SOUNDS LIKE THAT WILL BE THE  
18 MINORITY. THIS WILL TAKE CARE OF THE BIG BUNCH AND THE  
19 MINORITY WE WON'T HAVE TO WORRY ABOUT. I'M AFRAID WE'RE  
20 TALKING ABOUT THE MAJORITY, NOT THE MINORITY. I MEAN,  
21 THE MAJORITY OF THEM ARE GOING TO HAVE SHORT-TERM  
22 REMAINING YEARS. SO YOU CAN'T ADDRESS THAT OFF THE SIDE.  
23 YOU HAVE TO ADDRESS THAT PRETTY DAMN FAST OR AS ONE OF  
24 THE -- I WOULD SAY MORE IMPORTANT THAN ALL OF THIS,  
25 BECAUSE THESE ARE THE MECHANICS OF HOW YOU DO IT. THE



1 ECONOMICS AREN'T THERE; THE MECHANICS BECOME ACADEMIC.

2 CHAIRMAN BEAUTROW: OKAY. THERE'S BEEN SUFFICIENT  
3 QUESTIONS RAISED ABOUT THIS, THE RATIONALE FOR THIS  
4 CONTINGENCY COST; AND I HOPE THAT WHEN SOME PEOPLE COME  
5 UP HERE TO DISCUSS THIS, THAT THEY MIGHT OFFER SOME  
6 COMMENTS ON IT. I WILL SAY THAT I KNOW IN THE CASE OF  
7 SKEET'S COUNTY, KERN COUNTY, I HEARD THE NUMBER OF 65  
8 MILLION BUCKS TO CLOSE THEIR LANDFILL. THEY SAID THAT AT  
9 ONE OF THE COMMITTEE MEETINGS OVER THERE.

10 AGAIN, WE'RE TALKING -- AT LEAST WITHOUT THE  
11 REFINEMENTS WE'RE GOING TO GET HERE, WE'RE TALKING SUCH  
12 HUGE NUMBERS. AND I KNOW IT'S CUSTOMARY ENGINEERING  
13 PRACTICE THEY USUALLY USE A 10 PERCENT, BUT LET'S HEAR  
14 WHEN THE PEOPLE TALK ABOUT THAT AND GET SOME MORE  
15 RATIONALE BEFORE WE JUST ARBITRARILY PLUNK DOWN 20  
16 PERCENT.

17 ANY OTHER COMMENTS?

18 MR. EOWAN: YES. I HAVE A COMMENT, MR. CHAIRMAN,  
19 IN ANSWER TO MR. ARAKALIAN'S COMMENTS. THAT IS, THAT  
20 WHAT WE'RE TRYING TO DO HERE IS ENFORCE THE LAW AS IT'S  
21 WRITTEN, AND THAT'S WHAT THIS WHOLE EXERCISE IS ABOUT.  
22 IF WE FIND THAT THE LEGISLATION DID NOT PROVIDE FOR THAT  
23 KIND OF A SITUATION, THEN WE HAVE TO LOOK AT WAYS THAT WE  
24 CAN CHANGE THE LAW TO ALLOW FOR LACK OF FUNDING. RIGHT  
25 NOW THERE'S SOME MONEY IN THE BILL FOR CORRECTIVE ACTIONS



1 SO THAT IF YOU HAVE A SITUATION WHERE YOU HAVE TO CLEAN  
2 UP A SITE OR WHATEVER, WE HAVE A LITTLE BIT OF MONEY IN  
3 THERE TO DO THAT. WE HAVE SOME LOAN GUARANTEE MONEY, BUT  
4 THAT CANNOT BE USED FOR ROUTINE CLOSURE ACTIONS.

5 SO WE SORT OF HAVE TO WAIT AND SEE WHAT KIND  
6 OF SITUATION WE RUN UP AGAINST; AND THEN IF WE NEED TO  
7 RECOMMEND THAT THE LAW BE CHANGED, THEN WE WOULD GO AHEAD  
8 AND DO THAT. THIS ISN'T THE EXERCISE WE NEED TO GO INTO  
9 AS FAR AS ALLOWING FOR THAT KIND OF FINANCIAL MEANS FOR  
10 THE OPERATORS. THAT'S SOMETHING THAT WAS DEBATED DURING  
11 THE TIME THAT THE BILL WAS, YOU KNOW, BEING WORKED  
12 THROUGH THE LEGISLATURE.

13 BOARD MEMBER ARAKALIAN: IF I MAY COMMENT A MOMENT.  
14 AS YOU SAY ---

15 CHAIRMAN BEAUTROW: IS THIS A REBUTTAL?

16 BOARD MEMBER ARAKALIAN: NO, JUST A COMMENT THAT I  
17 HAVE. GEORGE, AS YOU SAID, THIS WILL BE SOMETHING YOU  
18 WILL BE TAKING UP TO PULL A SEED OUT EARLY. SO WHEN  
19 YOU'RE THINKING ABOUT IT, IT GIVES YOU AN IDEA. FOR  
20 EXAMPLE, A MORE WORKABLE MESSAGE MIGHT NOT BE WORKABLE AT  
21 ALL, BUT CONCEIVABLY WORKABLE. THESE MONIES, IF THEY GET  
22 TO BE A FIXED NUMBER, SAY, LIKE A TONNAGE NUMBER OR  
23 SOMETHING, EVERYONE, INSTEAD OF CONTRIBUTING INTO HIS OWN  
24 FUNDS, CONTRIBUTE INTO A COMMON FUND; THEREFORE, THIS  
25 MONEY WOULD BE LARGER AND THE ONES WHO WOULD GET OUT



1 EARLY WOULD BE FUNDED QUICKLY BECAUSE IT'S COME IN FROM A  
2 LOT OF SOURCES. AND THE ONES DOWN THE LINE WON'T EVEN  
3 KNOW THEY'RE PUTTING MONEY IN FOR THEIRS. ACTUALLY  
4 THEIRS WON'T COME UP FOR A LONG TIME AND THE OTHERS WOULD  
5 HELP SUBSIDIZE THEIRS.

6 AND A COMMON FUND IN A SITUATION WHERE YOU ARE  
7 STARTING MID-STREAM, LIKE WE ARE, MIGHT BE WORTH  
8 CONSIDERING AND BE MORE WORKABLE BECAUSE I CAN'T FIND ANY  
9 WORKABLE WAY TO SAVE SOMETHING LIKE 50 MILLION, 60  
10 MILLION, THAT KIND OF A NUMBER. WHICH INDIVIDUAL  
11 LANDFILL CAN PUT ASIDE \$50 MILLION IN A TWO-YEAR PERIOD?  
12 YET, ALL OF THEM COMBINED MIGHT. AND THAT MONEY WOULD BE  
13 LIKE A MINIATURE SCALE SOCIAL SECURITY THING. EVERYBODY  
14 PUTS INTO IT; AND WHEN YOU NEED IT, YOU ALL DRAW FROM IT,  
15 A COMMON FUND-TYPE. THAT MIGHT BE SOMETHING TO LOOK  
16 INTO.

17 MR. EOWAN: I THINK THE LEGISLATURE DID ANTICIPATE  
18 THE PROBLEM THAT YOU ARE DESCRIBING, AND I BELIEVE THAT  
19 ONE OF THE REASONS THEY WANTED THAT INITIAL COST ESTIMATE  
20 WAS TO PREPARE EVERYBODY FOR THAT EVENTUAL DAY WHEN YOU  
21 HAVE TO CLOSE, WHETHER IT IS 50 YEARS OR ONE YEAR AWAY.  
22 WHEN WE GET THOSE IN, I THINK WE'RE GOING TO HAVE A  
23 BETTER READ ON WHAT IS GOING TO BE NECESSARY, AND I THINK  
24 THE OPERATORS WILL HAVE A BETTER UNDERSTANDING OF THAT.

25 BOARD MEMBER GALLAGHER: IN THE MEANTIME, IT WOULD



1 SEEM TO ME THAT IT WOULD BE GERMANE TO THIS IF EVERYONE  
2 IN THE AUDIENCE WHO IS GOING TO TESTIFY ON THIS ISSUE  
3 WOULD SPECIFICALLY ADDRESS THAT FACT AND ANY HARDSHIP  
4 THAT THEY COULD ANTICIPATE AND ALSO ADDRESS SPECIFICALLY  
5 THE CONTINGENCY FUND ISSUE. BECAUSE NONE OF US SITTING  
6 UP HERE ARE ALL THAT OMNIPOTENT THAT WE CAN FIGURE OUT  
7 ALL THESE THINGS IN ADVANCE.

8 IT SEEMS TO ME THAT A QUICK ANSWER IS WHEN A  
9 GUY GETS WITHIN A YEAR OF HAVING TO CLOSE, IF HE DOESN'T  
10 HAVE THAT KIND OF MONEY, GOES INTO BANKRUPTCY, AND THAT'S  
11 NOT WHAT WE'RE TRYING TO ACCOMPLISH WITH THE LAW. SO I  
12 THINK WE HAVE TO GET INFORMATION FROM PEOPLE IN THE  
13 AUDIENCE SO THAT WE CAN CRAFT WHATEVER LEGISLATIVE REFORM  
14 WE NEED ON THIS LAW FROM THEIR COMMENTS.

15 CHAIRMAN BEAUTROW: PROCEED.

16 MS. SCHWAB: ARE THERE ANY OTHER QUESTIONS OR  
17 COMMENTS ON THE WORKSHEET ITSELF? ANY NOTES THAT YOU'VE  
18 TAKEN ALONG THE WAY, THAT YOU NEED TO MAKE SOME CHANGES  
19 THAT WE CAN DO FOR YOU? AT THIS TIME, WE'D LIKE TO TAKE  
20 COMMENTS FROM THE AUDIENCE.

21 CHAIRMAN BEAUTROW: OKAY. I HAVE FOUR CARDS HERE  
22 AND YOU DIDN'T SAY WHETHER YOU ARE BREAKING THIS DOWN  
23 INTO TWO ITEMS AND --

24 MS. SCHWAB: WE'D LIKE TO, YES, SO WE CAN ANSWER  
25 ONE AT A TIME.



1 CHAIRMAN BEAUTROW: SO WE'RE TALKING RIGHT NOW  
2 ABOUT COMMENTS ON THIS INITIAL COST.

3 MS. SCHWAB: ON THE WORKSHEET.

4 CHAIRMAN BEAUTROW: OKAY. FIRST IS JOHN ABERNETHY  
5 FROM MERCED COUNTY, REPRESENTING GRCDA.

6 MR. ABERNETHY: THANK YOU, MR. CHAIRMAN, MEMBERS OF  
7 THE BOARD. I'M JOHN ABERNETHY, DEPUTY DIRECTOR OF PUBLIC  
8 WORKS FOR MERCED COUNTY, AND A MEMBER OF THE LEGISLATIVE  
9 LIAISON COMMITTEE FOR GOVERNMENT REFUSE COLLECTION AND  
10 DISPOSAL, REPRESENTING APPROXIMATELY A HUNDRED TWENTY  
11 MUNICIPAL LANDFILL OPERATORS.

12 WE'D LIKE TO THANK YOU FOR THE OPPORTUNITY TO  
13 MAKE SOME COMMENTS. AND, FIRST OF ALL, I'D LIKE TO THANK  
14 THE BOARD STAFF, ESPECIALLY, CAREN TRGOVCICH, WHO  
15 ATTENDED A WORKSHOP SPONSORED BY GRCDA, TO GO THROUGH THE  
16 FIRST SET OF DRAFT GUIDELINES THAT WERE PRESENTED AND  
17 ALLOW US TO MAKE SOME COMMENTS AND HEAR OUR CONCERNS.

18 FIRST OF ALL, I'D LIKE TO SPEAK ABOUT THE  
19 DEFINITION OF CLOSURE AND THE PROBLEMS MUNICIPAL  
20 OPERATORS ARE STILL HAVING WITH THAT. WE THINK CLOSURE  
21 SHOULD BE TAKEN ON AN INCREMENTAL APPROACH BASED ON THE  
22 YEAR OF ACTIVITY THAT THE SITE IS IN, AND WE SHOULD NOT  
23 LOOK AT THE TOTAL SITE LIFE AND ALL THE IMPACTS OF THAT  
24 COST AT ANY GIVEN YEAR. IF YOU ARE LOOKING AT COST OF,  
25 SAY, POTENTIAL CLOSURE IN TWO YEARS, THEN COSTS SHOULD BE



1 ESTIMATED UP TO THAT TWO-YEAR PERIOD FOR THE SITE IN THE  
2 ACTIVE PHASE.

3 SECOND OF ALL, THE CONCEPT OF MAXIMUM COST.  
4 THE INCLUSION, AGAIN, OF CONTINGENCIES IS A REAL CONCERN,  
5 AND AT A MINIMUM, IF THERE ARE CONTINGENCIES BASED ON  
6 SOME ENVIRONMENTAL OR ENGINEERING CONCERN THAT CAN BE  
7 DOCUMENTED. AGAIN, IF YOU GO BACK TO MAXIMUM COST, THERE  
8 PROBABLY SHOULD NOT BE CONTINGENCIES. IF WE CAN GET OFF  
9 THE CONCEPT OF MAXIMUM COSTS FOR CLOSURE AND ALLOW THOSE  
10 FUNDS TO BE UTILIZED FOR FUTURE SITE EXPANSION, CAPITAL  
11 REPLACEMENT OF LANDFILLS, AND THE CLOSURE DURING THE LIFE  
12 OF THE LANDFILL SITE, I DON'T THINK WE NEED MAXIMUM COST  
13 CONSIDERATION.

14 I THINK WE HAVE SUBMITTED OUR COMMENTS IN  
15 WRITING TO BOARD STAFF AND THEY HAVE THEM FROM GRCDA, AND  
16 I THINK THOSE WERE THE TWO MAIN CONCERNS I'D LIKE TO  
17 BRING TO YOUR ATTENTION ON THIS ISSUE.

18 CHAIRMAN BEAUTROW: ANY QUESTIONS OF MR. ABERNETHY?  
19 THANKS. AL MARINO, CRRC NORTHERN DISTRICT.

20 MR. MARINO: THANK YOU, MR. BEAUTROW, MEMBERS OF  
21 THE BOARD. I'M REPRESENTING THE NORTHERN DISTRICT OF THE  
22 CRRC TODAY. AND, FIRST, I WANT TO SAY THAT WE ALL  
23 REALIZE THE DIFFICULT JOB THAT YOUR BOARD HAS IN TRYING  
24 TO DO SOMETHING WITH A LAW THAT KIND OF TIES YOUR HANDS.  
25 REALLY, ON WHAT YOU CAN DO.



1 I'VE MET WITH MR. ABERNETHY FROM MERCED  
2 COUNTY, AND WE PRETTY MUCH ARE IN AGREEMENT WITH HIS  
3 COMMENTS ABOUT THE NEED FOR MAYBE A PHASED-COST APPROACH.  
4 AND I THINK YOUR STAFF EXPLAINED THAT PRETTY WELL, AND I  
5 DON'T THINK THAT'S TOO MUCH OF A PROBLEM FROM WHAT I  
6 HEARD.

7 THE OTHER THING -- THE ONLY OTHER THING THAT I  
8 REALLY HAVE TO SAY, AND WE ARGUED THIS WITH DELAINE  
9 EASTIN WHEN THE BILL WAS GOING THROUGH THE LEGISLATURE.  
10 NUMBER ONE, I DON'T KNOW WHAT THEY PLAN TO DO WITH THE  
11 SITES THAT ARE NOT UNDER THIS. IN OTHER WORDS, THOSE  
12 THAT ARE CLOSED ALREADY. THEY'RE THE ONES THAT WERE PUT  
13 IN AND OPERATED UNDER THE LESS -- MUCH LESS STRINGENT  
14 REGULATIONS, AND YET THEY'RE THE ONES THAT ARE NOT  
15 COVERED UNDER THIS. AND I THINK IT'S A FLAW THAT MAY BE,  
16 IF THERE IS ANY AMENDMENTS TO THE LAW, CERTAINLY SHOULD  
17 BE LOOKED AT.

18 THE OTHER THING IS THAT, AGAIN, I DON'T KNOW  
19 THAT THE LAW PERMITS THIS -- I'M SURE IT DOESN'T -- BUT  
20 CERTAINLY SOMETHING THAT WE SHOULD LOOK AT IN TRYING TO  
21 AMEND THIS THING IS THE NEED FOR -- THE RELATIVE NEED FOR  
22 COMING UP WITH A CLOSURE FINANCIAL PLAN, AND THE MONEY IN  
23 THE POT TO DO IT WITHOUT LOOKING AT THE TYPE OF LANDFILL.  
24 YOU KNOW, LANDFILLS DEPENDENT ON GEOLOGY, GEOGRAPHY,  
25 CLIMATE, HISTORY OF OPERATION, COULD BE A HELL OF A LOT



1 WORSE THAN ANOTHER LANDFILL WHICH IS IN AN AREA WHERE  
2 THESE THINGS AREN'T DETRIMENTAL, WHICH HAS A HISTORY OF  
3 GOOD OPERATION, GEOLOGY IS GREAT, CLIMATE IS SUCH THAT  
4 YOU ARE NOT GOING TO GET WASHED OUT EVERY OTHER YEAR.  
5 AND I THINK THOSE THINGS SHOULD CERTAINLY BE CONSIDERED  
6 WHEN A PERSON HAS TO COME UP WITH MONIES TO CLOSE IT.

7 AND, AGAIN, BACK TO WHAT WE WERE TALKING ABOUT  
8 BEFORE, THE THING THAT BOTHERS US -- NOW, ONE OF OUR  
9 PEOPLE HAS A LANDFILL THAT'S GOT AT LEAST 50 YEARS'  
10 CAPACITY LEFT. NOW, IF THEY HAVE TO COME UP WITH A  
11 FINANCIAL PLAN FOR THE WHOLE -- WHAT IS IT -- 500 ACRES  
12 OR MORE RIGHT OFF THE BAT, I MEAN, IT WOULD BE RIDICULOUS  
13 AND VERY DIFFICULT TO DO.

14 BUT IF I UNDERSTOOD RIGHT, THAT IS NOT  
15 NECESSARY THE WAY YOUR STAFF IS TALKING. IN OTHER WORDS,  
16 THEY COULD COME UP WITH ONE-FIFTIETH OR ONE-THIRTIETH OR  
17 WHATEVER. SO THAT KIND OF RELAXES THE PROBLEM WE HAD  
18 THERE. I REALLY THINK, THOUGH, WHATEVER YOU DO, THESE  
19 ARE GUIDELINES, RIGHT? AND YOU'RE NOT GOING TO HAMMER  
20 EVERYBODY AS A REGULATION, AND I THINK WE NEED  
21 GUIDELINES, BUT I ALSO THINK THAT WE OUGHT TO GET  
22 TOGETHER, ALL OF US HERE TODAY, AND PLAN SOME KIND OF  
23 AMENDMENT NEXT YEAR TO MAKE THIS A LOT MORE PLAUSIBLE AND  
24 BEARABLE AND WORKABLE.

25 CHAIRMAN BEAUTROW: ONE THING, AL, WHAT YOU ARE



1 SAYING IS THAT -- I DON'T KNOW HOW WE COULD CARRY IT OUT  
2 IN ACTUALITY. YOU'RE SAYING WE OUGHT TO GIVE AN INITIAL  
3 GRADE TO A LANDFILL. HERE'S AN A AND HERE'S AN F, AND  
4 THE F ONE SHOULD REALLY BE HOSED, SO TO SPEAK. I DON'T  
5 KNOW HOW WE CAN DO THAT. WE CAN'T GO AROUND -- AND  
6 THEY'RE ALL SUPPOSED TO MEET THE MINIMUM STANDARDS. I  
7 MEAN, THAT'S WHAT THE LEA'S AND THE WHOLE PROGRAM IS  
8 ABOUT. I DON'T KNOW HOW WE CAN BE DISCRIMINATORY, AND --

9 MR. MARINO: NO, YOU CAN'T THE WAY THE LAW IS NOW,  
10 BUT WHAT I'M SAYING IS -- AND YOU'RE PERFECTLY RIGHT. IF  
11 I'VE GOT A LANDFILL THAT YOUR STAFF ENFORCEMENT PEOPLE  
12 AND THE LEA HAVE HAD ALL KINDS OF PROBLEMS WITH WITH  
13 GROUNDWATER INFILTRATION, WHATEVER THE HELL THE THING MAY  
14 BE, THAT HAD TO BE CORRECTED OVER THE YEARS AND IN AN  
15 AREA WHERE THE GEOLOGY IS SUCH THAT YOU'VE GOT MAYBE  
16 POTENTIAL PROBLEMS, THE CLIMATE IS SUCH WHERE YOU GET A  
17 LOT OF RAINFALL, THE NORTH COAST VERSUS A LANDFILL, LET'S  
18 SAY, IN RIVERSIDE COUNTY WHERE IT'S RELATIVELY DRY, WITH  
19 A HISTORY OF OPERATION THAT IS GOOD, WHERE THERE'S BEEN  
20 NO PROBLEMS, WHAT I'M SAYING IS THE MONIES TO CLOSE THE  
21 FORMER BEING IN THE POT IS A HELL OF A LOT MORE IMPORTANT  
22 THAN THE MONIES BEING IN THE POT TO CLOSE THE LATTER.

23 CHAIRMAN BEAUTROW: I'LL GO FURTHER IN SAYING WE'D  
24 BETTER SCRUTINIZE THE COST ESTIMATE FOR THAT BAD ONE AND  
25 WITH THE HISTORY OF PROBLEMS --



1 MR. MARINO: ABSOLUTELY.

2 CHAIRMAN BEAUTROW: -- VERY CLOSELY TO MAKE SURE  
3 THEY'RE NOT JUST BLOWING SMOKE OR SOMETHING.

4 MR. MARINO: UNDER THE PRESENT LAW, EVEN THOUGH IT  
5 DOESN'T PERMIT IT, WHEN YOU GET INTO THIS THING, IF  
6 SOMEBODY HAS A SITE THAT HAS A HISTORY OF PROBLEMS IN AN  
7 AREA WHERE THERE'S REAL PROBLEMS OF POTENTIAL POLLUTION,  
8 I THINK YOU HAVE TO LOOK AT IT A LOT CLOSER, EVEN THOUGH  
9 THE LAW DOESN'T STIPULATE THAT YOU HAVE TO SEPARATE THEM  
10 THAT WAY.

11 BOARD MEMBER VARNER: THANK YOU, MR. CHAIRMAN.  
12 WELL, AL BROUGHT UP SOME GOOD POINTS, AND THE SAME THING  
13 IS TRUE WITH A LOT OF OTHER ISSUES. IF YOU MAKE ONE SET  
14 OF CRITERIA AND YOU GOT ALL DIFFERENT SORTS OF PROBLEMS  
15 OUT THERE, YOU ARE ALWAYS TRYING TO PUT SOME SQUARE PEGS  
16 INTO ROUNDS HOLES AND THEY'RE NOT GOING TO FIT. YOU  
17 KNOW, MAYBE, I JUST SORT OF HAD IT IN THE BACK OF MY MIND  
18 THAT I THOUGHT AT LEAST THERE WAS SOME OF THESE NEW  
19 REGULATIONS WE'RE GOING TO BE PUTTING FOR NEW LANDFILLS.  
20 SOME OF THEM YOU HAD IN EXISTENCE YOU HAD SOME PROBLEMS.  
21 OBVIOUSLY, THEY'RE NOT GOING TO FIT WITH YOUR NEW  
22 REGULATIONS SO ANYONE IN THAT CATEGORY HAS SOME SERIOUS  
23 PROBLEMS.

24 AGAIN, YOU MENTIONED A THING, AL, ABOUT CLOSED  
25 LANDFILLS. COULD YOU EXPAND ON THAT THOUGHT?



1 MR. MARINO: AS I UNDERSTAND THE LAW, LANDFILLS  
2 THAT ARE NOT OPERATING AFTER JANUARY OF '88 -- IS IT --  
3 DON'T COME UNDER THIS DISCLOSURE, DON'T HAVE TO HAVE A  
4 FINANCIAL CLOSURE PLAN, THEY'RE ALREADY CLOSED  
5 THEORETICALLY; OR EVEN IF THEY'RE NOT CLOSED AND NOT  
6 OPERATING, IT WOULD SEEM TO ME THAT THOSE LANDFILLS,  
7 MAYBE, THAT WENT IN 20 YEARS AGO WHEN THE REGULATIONS  
8 WERE SCANT, WE DIDN'T HAVE SUBCHAPTER 15, YOU DIDN'T HAVE  
9 THE WATER BOARD RIDING HERD ON YOUR BOARD AND EVERYBODY  
10 ELSE, WOULD SEEM TO ME THAT THOSE ARE MORE APT TO GIVE  
11 THE PROBLEMS THAN THOSE THAT ARE OPERATING UNDER THE  
12 STRINGENT REGULATIONS.

13 BOARD MEMBER VARNER: THERE'S NO QUESTION ABOUT  
14 THAT THEY'RE NOT COVERED UNDER THIS. SO HOW DO WE RELATE  
15 TO THAT IN LIEU OF WHAT WE'RE TALKING ABOUT?

16 MR. MARINO: YOU CAN'T. I JUST BROUGHT IT UP. MR.  
17 ARAKALIAN WAS SAYING ABOUT THE GUY WHO HAS A 30-YEAR  
18 LANDFILL AND 25 OF IT USED UP. I JUST BROUGHT UP THE  
19 FACT THE GUY WHO HAS 30 YEARS IS ALREADY CLOSED, IS EVEN  
20 A WORSE PROBLEM THAN WHAT MR. ARAKALIAN WAS TALKING  
21 ABOUT. YOU CAN'T DO ANYTHING ABOUT IT, BUT I'M SAYING  
22 THE LAW SHOULD RECOGNIZE THAT. AND I WONDER AFTER WE DO  
23 ALL THESE FINE THINGS TO PROTECT THE LANDFILLS OPERATING  
24 TODAY, WHAT HAPPENS TO THOSE THAT BLOW UP THAT AREN'T  
25 OPERATING TODAY?



1 BOARD MEMBER VARNER: WELL, I AGREE WITH YOU. AND  
2 ANOTHER THING WITH THE LANDFILLS THAT ONLY HAVE TWO,  
3 THREE YEARS OF LIFE, AS WE WERE TALKING ABOUT CONTINGENCY  
4 PLANS, AND AS BILL VERY APTLY PUT IT, THEY ARE REALLY  
5 WORRIED ABOUT HAVING ENOUGH MONEY TO CLOSE THEM, PERIOD.  
6 SO THAT'S THE GOOD THING ABOUT THESE SORT OF THINGS. WE  
7 BRING OUT ALL KINDS OF PROBLEMS THAT REGARDLESS OF HOW  
8 WELL INTENTIONED LEGISLATION IS, IT USUALLY DOESN'T EVEN  
9 COVER BUT ONE NARROW LITTLE ASPECT OF WHAT WE'RE TALKING  
10 ABOUT. SO IS IT GOING TO BE POSSIBLE TO BE ABLE TO  
11 CATEGORIZE A NUMBER OF DIFFERENT THINGS?

12 THIS IS ANOTHER THING I WOULD LIKE TO HEAR  
13 FROM DIFFERENT ONES IN THE AUDIENCE WITH TALKING ABOUT  
14 THIS IN RELATIONSHIP TO THEIR OWN PARTICULAR PROBLEMS.  
15 BECAUSE, OBVIOUSLY, YOU ARE GOING TO HAVE A DIFFERENT ONE  
16 AND ALL DIFFERENT LOCATIONS. AND AS YOU POINTED OUT WITH  
17 A LEACHATE PROBLEM WHERE IT'S A DRY CLIMATE, I BELIEVE,  
18 IF I'M NOT MISTAKEN, IN KERN COUNTY WE DON'T HAVE ANY  
19 PROBLEM WITH LEACHATE BECAUSE WE DON'T GET ENOUGH  
20 RAINFALL; BUT IN AN AREA WHERE YOU HAVE A LOT OF  
21 RAINFALL, YOU HAVE A TREMENDOUS PROBLEM WITH IT. SO IS  
22 LEACHATE CONTROL SYSTEMS GOING TO BE REQUIRED FOR  
23 LANDFILLS WHERE YOU DON'T HAVE ANY LEACHATE PROBLEM, FOR  
24 INSTANCE?

25 MR. EOWAN: WELL, WE HAVE -- WE DON'T HAVE A



1 PRESCRIPTIVE APPROACH TO THIS. WE'RE TRYING TO DO IT IN  
2 A SENSE SO THAT WE LOOK AT EACH LANDFILL SEPARATELY AND  
3 DETERMINE WHAT IT NEEDS.

4 BOARD MEMBER VARNER: WELL, YOU CAN'T. THAT'S --  
5 THAT'S REALLY WHAT I WANTED TO CLARIFY. IS THERE A BROAD  
6 ENOUGH BASE IN WHAT WE ALREADY HAVE SO THAT YOU CAN SET  
7 CRITERIA?

8 MR. EOWAN: ABSOLUTELY. WE'RE TRYING TO AVOID  
9 OVERREGULATING IT; AND, ON THE OTHER HAND, WE WANT TO  
10 MAKE SURE WE'RE MEETING ALL THE PROBLEMS THAT WE CAN  
11 FORESEE. SO THE ONLY WAY TO DO THAT IS TO -- WELL, I  
12 THINK WE'VE GONE THROUGH A LOT OF REGULATIONS AND WE'LL  
13 LOOK AT MORE IN ITEM NO. 2, AND I THINK WE'LL ANSWER YOUR  
14 QUESTION MORE DIRECTLY THERE.

15 BOARD MEMBER VARNER: THANK YOU.

16 BOARD MEMBER GALLAGHER: I THINK MR. MARINO BRINGS  
17 UP ANOTHER INTERESTING QUESTION THAT I DIDN'T SEE  
18 ANSWERED IN THIS BRIEF REVIEW THAT I MADE OF THIS. IT  
19 HAS TO DO WITH A LANDFILL OPERATOR OR OWNER WHO HAS SOME  
20 500 ACRES, BUT HE'S ONLY UTILIZING A CERTAIN PORTION OF  
21 IT FOR A LANDFILL. ARE THESE REGULATIONS TO BE APPLIED  
22 ONLY TO PERMITTED LANDFILLS AS THEY EXIST TODAY? AND, IF  
23 SO, HOW DO WE GET CHANGE IN ESTIMATES AS ADDITIONAL  
24 CAPACITY IS PERMITTED? WE'VE GOT UNTOLD NUMBERS OF  
25 PEOPLE WHO ARE NOT UTILIZING ALL THEIR PROPERTY, BUT THEY



1 ANTICIPATE, AT SOME POINT IN TIME, ASKING FOR INCREASES  
2 IN THEIR PERMITTED TONNAGE AND WHAT HAVE YOU, AND I THINK  
3 THAT'S AN INTERESTING POINT THAT WE HAD BETTER CONSIDER.

4 MR. EOWAN: I'M NOT SURE I UNDERSTAND YOUR  
5 QUESTION, BUT PART OF THE ANSWER IS THAT THESE  
6 REGULATIONS AFFECT THOSE FACILITIES OPERATING AS OF  
7 JANUARY 1, '88. ANYTHING THAT CLOSED BEFORE --

8 BOARD MEMBER GALLAGHER: ONLY FOR THE PERMITTED  
9 CAPACITY OF THAT SITE. WELL, THAT'S WHAT I'M TRYING TO  
10 CLEAR UP. BECAUSE, YOU KNOW, MOUNTAIN VIEW IS A  
11 PERFECTLY GOOD EXAMPLE WHERE THEY WERE DUMPING IN AN  
12 UNPERMITTED AREA, AND I JUST WANT TO BE SURE THAT THE  
13 OPERATORS UNDERSTAND THAT WHEN THEY MAKE OUT THESE  
14 ESTIMATES, IT'S ONLY FOR THAT SECTION OF WHATEVER THE  
15 PROPERTY IS THAT IS PERMITTED AS A LANDFILL.

16 MR. MARINO: ONE LAST COMMENT, IF I MAY, TO MR.  
17 VARNER'S QUESTION ABOUT THE LEACHATE CONTROL SYSTEMS.  
18 IT'S BEEN MY EXPERIENCE THAT YOU GO THROUGH THE PANGS OF  
19 HELL WHEN YOU GET WASTE DISCHARGE REQUIREMENTS SET BY THE  
20 WATER BOARD ON THE LANDFILL TO TRY AND PROVE THAT YOU  
21 DON'T NEED A LEACHATE CONTROL SYSTEM. I WOULD SAY IN  
22 MOST CASES THAT'S ANOTHER THING ABOUT THE SITE OPERATING  
23 UNDER NEW REGULATIONS, A LOT OF THEM, OR MOST OF THEM,  
24 PERHAPS, REQUIRE A LEACHATE CONTROL SYSTEM.

25 MR. EOWAN: ON LEACHATE, I WANT TO MAKE ONE MORE



1 POINT ON MR. VARNER'S QUESTION AND MR. MARINO'S SAYING  
2 THAT IS THE WAY THE LAW IS WRITTEN, AND THE WAY THE  
3 CLEANUP BILL WAS PREPARED IS THAT IT STILL LEAVES ALL OF  
4 THE WATER BOARD'S EFFECT INTACT. THEY HAVE COMPLETE,  
5 BASICALLY, COMPLETE SAY-SO ON WHAT THE LEACHATE SYSTEMS  
6 WILL SAY.

7 MR. MARINO: THANK YOU.

8 CHAIRMAN BEAUTROW: THANKS, MR. MARINO.

9 ONE COMMENT FOR THE AUDIENCE. IF YOU ARE  
10 WAITING FOR OTHER ITEMS, I THINK THE BULK OF THE DAY IS  
11 GOING TO BE ON ONE AND TWO, WHICH ARE THE REGS AND  
12 GUIDELINES FOR THIS 2448. SO IF YOU ARE ANTICIPATING  
13 THAT SOME OTHER ITEM IS COMING UP TODAY, PLEASE, IT'S  
14 NOT. IT'S GOING TO BE EITHER THURSDAY OR FRIDAY, AND WE  
15 DISCUSSED THAT EARLIER. SO I JUST WANT EVERYBODY TO FEEL  
16 COMFORTABLE AND KNOW WHERE WE'RE HEADED WITH THIS. THIS  
17 IS QUITE LABORIOUS.

18 OKAY. KENT STODDARD REPRESENTING WASTE  
19 MANAGEMENT.

20 MR. STODDARD: MR. CHAIRMAN, MEMBERS OF THE BOARD,  
21 I'M KENT STODDARD REPRESENTING WASTE MANAGEMENT INC., AND  
22 WE PROVIDED VERY BRIEF COMMENTS AT YOUR JULY 6TH MEETING  
23 ON THE GUIDELINES AND PROMISED WRITTEN COMMENTS WHEN OUR  
24 TECHNICAL STAFF HAD THE OPPORTUNITY TO REVIEW. THOSE ARE  
25 BEING PASSED OUT NOW.



1 I JUST WANT TO SUMMARIZE A FEW OF THE COMMENTS  
2 THAT WE HAD SPECIFICALLY ON COST ESTIMATES, AND, IN PART,  
3 AS IT RELATES TO THE DISCUSSION THAT'S ALREADY TAKEN  
4 PLACE THIS MORNING.

5 FIRST OF ALL, JUST AN OVERALL COMMENT. OUR  
6 STAFF HAVE LOOKED OVER THE WORKSHEETS THAT THE STAFF HAS  
7 PREPARED AND WE'RE EXTREMELY COMPLIMENTARY. WE THINK  
8 THEY ARE VERY WORKABLE, VERY HELPFUL, AND WILL AID ALL  
9 THE OPERATORS TREMENDOUSLY IN TRYING TO COMPLY WITH WHAT  
10 IS A PRETTY COMPLEX STATUTE. SO WE EXTEND OUR  
11 COMPLIMENTS TO THE BOARD AND TO THE STAFF FOR THE  
12 TERRIFIC WORK ALREADY TAKEN PLACE.

13 ONE AREA WHERE WE'RE CONCERNED AND WE THINK  
14 THERE IS AN AMBIGUITY THAT NEEDS TO BE RESOLVED IS ON THE  
15 ISSUE OF WHETHER THESE GUIDELINES AND THE INITIAL  
16 CERTIFICATION IS ATTEMPTING TO DEAL WITH BOTH SCHEDULED  
17 CLOSURE AND THE COSTS ASSOCIATED WITH SCHEDULED CLOSURE  
18 OR IT'S TRYING TO DEAL IN ADDITION WITH PREMATURE  
19 CLOSURE. AND EARLY IN THE GUIDELINE DOCUMENT IT STATES  
20 THAT THE INTENT OF THESE GUIDELINES IS TO MAKE SURE  
21 FINANCIAL RESOURCES ARE AVAILABLE IN THE EVENT OF  
22 PREMATURE CLOSURE. AS YOU GET INTO THE DOCUMENT AND YOU  
23 WORK WITH THE WORKSHEETS, THAT REALLY DOESN'T SEEM TO  
24 COME INTO PLAY UNLESS PERHAPS IN THAT AREA OF THE  
25 CONTINGENCY COSTS, BUT, AGAIN, THAT'S NOT CLEAR.



1                   OUR POSITION IS THAT -- OUR UNDERSTANDING OF  
2 THE BILL AND THE INITIAL CERTIFICATION IS THAT  
3 LEGISLATURE IS TRYING TO MAKE SURE THAT RESOURCES ARE  
4 BEING SET ASIDE FOR SCHEDULED CLOSURE, AND THAT IT'S  
5 REALLY A DIFFERENT BEAST WHEN YOU START TALKING ABOUT A  
6 PREMATURE CLOSURE, AND THE CONDITIONS THAT COULD RESULT  
7 OR COULD TRIGGER A PREMATURE CLOSURE COULD BE  
8 CATASTROPHIC IN NATURE.

9                   SO WE THINK THE GUIDELINES NEED TO BE VERY  
10 CLEAR IN TERMS OF WHAT THEY'RE TRYING TO ADDRESS. IS  
11 THIS A SCHEDULED CLOSURE OR IS THIS A PREMATURE CLOSURE?  
12 OUR SENSE OF IT IS IT'S TACKLING PREMATURE CLOSURE AT  
13 THIS PARTICULAR TIME WITHIN THE CONTEXT OF THESE  
14 GUIDELINES; AND A SELF-CERTIFICATION PROCESS WAS PROBABLY  
15 NOT DOABLE, BUT PERHAPS THAT DOES NEED TO BE CONSIDERED  
16 AS PART OF THE REGULATIONS THAT THE BOARD WILL BE  
17 DEVELOPING AND IS REQUIRED TO DEVELOP UNDER THE LAW.

18                  BOARD MEMBER VARNER: MR. CHAIRMAN, THAT'S AN  
19 EXCELLENT POINT AND IT JUST EMPHASIZES THE THING THAT I  
20 WAS GETTING AT WITH THE OTHER COMMENTS. WE FIND THIS  
21 HAPPENING QUITE OFTEN AND LEGISLATION BEING WRITTEN TO  
22 TRY TO PROTECT EVERYTHING. AND IF YOU TRY TO PROTECT  
23 EVERY EVENTUALITY THAT MIGHT HAPPEN FOREVER AND EVER, YOU  
24 HAVE TREMENDOUS COSTS PUT UPON A PROJECT AND IN MANY  
25 CASES IT ISN'T NEEDED. SO THAT'S AN EXCELLENT POINT, BUT



1 IT GOES TO THE VERY HEART OF A WHOLE LOT OF OTHER THINGS  
2 THAT WOULD WIND UP SPENDING A TREMENDOUS AMOUNT OF OUR  
3 MONEY TRYING TO PREVENT SOMETHING THAT ISN'T EVER GOING  
4 TO HAPPEN.

5 MR. STODDARD: I WOULD CERTAINLY AGREE. AND I  
6 THINK IF YOU LOOK BACK AT THE INTENT OF THIS PARTICULAR  
7 STATUTE, THIS STARTED OUT TO BE A HUNDRED-MILLION-DOLLAR  
8 PROGRAM, AND IT WAS ASSUMED THAT THERE WERE GOING TO BE  
9 SUBSTANTIAL PROBLEMS AT SOME SOLID WASTE LANDFILLS AND  
10 SOME SOURCE OF MONEY WAS GOING TO HAVE TO BE BROUGHT IN  
11 TO ACCOMMODATE AND TAKE CARE OF THOSE PROBLEMS WHERE YOU  
12 HAD OWNERS AND OPERATORS WHO JUST SIMPLY DID NOT HAVE THE  
13 FINANCIAL RESOURCES.

14 WELL, AS IT TURNED OUT, THE PROGRAM IS NOW A  
15 \$20-MILLION PROGRAM, AND I THINK WE HAVE TO LOOK AT IT  
16 INCREMENTALLY. I THINK THIS IS THE FIRST STEP WHERE WE  
17 SAY LET'S FIGURE OUT WHO CAN SURVIVE AND WHO CAN'T  
18 SURVIVE, THAT THEY CAN PUT ASIDE MONEY FOR ROUTINE  
19 CLOSURE. AND I THINK RIGHT OFF THE BAT WE'RE GOING TO  
20 FIND SOME THAT ARE IN TROUBLE. AND THAT IS GOING TO BE  
21 USEFUL IN HOW WE PROCEED LEGISLATIVELY WITH DEALING WITH  
22 THOSE KIND OF SITES.

23 THERE'S GOING TO BE A LOT OF OTHERS WHO CAN'T  
24 PAY UP 30 YEARS OF LIFE LEFT IN THEIR LANDFILL AND  
25 SETTING ASIDE MONEY EACH YEAR TO PAY FOR ULTIMATE CLOSURE



1 IS NOT GOING TO BE TERRIBLY DIFFICULT, AND THOSE WE'RE  
2 NOT GOING TO HAVE TO WORRY ABOUT. SO I WOULD VIEW THIS  
3 INITIAL CERTIFICATION PROCESS AS A SCREEN TO REALLY TELL  
4 US A LOT ABOUT WHAT'S GOING ON OUT THERE, AND THEN WE'RE  
5 GOING TO HAVE TO TAILOR THE PROGRAM TO MEET THOSE  
6 SPECIFIC CONDITIONS THAT WE FIND COME JANUARY 1 OF '89  
7 WHEN THE CERTIFICATIONS ARE DUE.

8 A COUPLE OTHER COMMENTS ON THAT, THE COSTS  
9 ESTIMATES. THIS IS MINOR AND MAY BE DEALT WITH EVEN MORE  
10 EFFECTIVELY IN YOUR REGULATIONS DOWN THE ROAD. BUT ON  
11 THE ISSUE OF QUALITY ASSURANCE, THAT'S THE ONE AREA WHERE  
12 OTHER PEOPLE DID HAVE SOME PROBLEMS TRYING TO UNDERSTAND  
13 AND WORK WITH THE SECTION THAT DEALT WITH QUALITY  
14 ASSURANCE. AND THEIR SUGGESTION WAS THAT RATHER THAN TRY  
15 TO COME UP WITH SPECIFIC COST ESTIMATES, THAT THE BOARD  
16 PROVIDE GUIDANCE ON USING JUST A PERCENTAGE OF THE TOTAL  
17 THAT COULD BE ADDED TO THE TOTAL COST ESTIMATE THAT WOULD  
18 ACCOMMODATE QUALITY ASSURANCES COSTS. I GUESS THAT THOSE  
19 ARE PARTICULARLY TOUGH TO PUT TOGETHER WHEN YOU ARE  
20 DEALING WITH A VERY LONG TIME FRAME.

21 THE LAST COMMENT ON THE COST ESTIMATES --

22 CHAIRMAN BEAUTROW: EXCUSE ME, WHILE YOU ARE  
23 THERE -- WHAT NUMBER IS THAT IN THE --

24 MR. ORR: IN THE GUIDELINES?

25 CHAIRMAN BEAUTROW: YEAH.



1 MS. SCHWAB: IT'S ON PAGE 21.

2 MR. ORR: ITEM NO. 22. IN TERMS OF THAT FIGURE,  
3 CAN I JUST ASK KENT A QUESTION HERE REAL QUICK?

4 YOU MENTION THAT A PERCENTAGE FIGURE MIGHT BE  
5 APPROPRIATE. I'M A LITTLE BIT CONCERNED BECAUSE SOME OF  
6 THE WORKSHOPS THAT I'VE BEEN TO A PERCENTAGE FIGURE OF  
7 BETWEEN 50 AND 100 PERCENT FOR QUALITY ASSURANCE HAS BEEN  
8 SUGGESTED.

9 DO YOU HAVE A FIGURE IN THAT AREA THAT WOULD  
10 MAKE SENSE?

11 MR. STODDARD: I DO NOT HAVE A FIGURE TODAY,  
12 ALTHOUGH, I CAN TELL YOU 50 TO A HUNDRED PERCENT, I  
13 THINK, IS ENORMOUSLY EXCESSIVE FOR QUALITY ASSURANCE, AND  
14 I THINK IT WOULD BE MUCH, MUCH LOWER. I WOULD ALSO SAY  
15 IF THERE'S A HUGE DISCREPANCY AMONG THE AFFECTED PARTIES  
16 ON WHAT THAT NUMBER OUGHT TO BE, IT'S PROBABLY NOT  
17 PRACTICAL TO COME UP WITH A PERCENTAGE. SO I WOULD LEAVE  
18 THAT, THEN, TO THE DISCRETION OF THE BOARD. I WOULD  
19 SIMPLY SAY THAT AT THIS POINT IT LOOKS LIKE IT'S TOUGH TO  
20 COME UP WITH THOSE REAL DOLLAR NUMBERS ON QUALITY  
21 ASSURANCES, WHICH IS A BIT OF A NEBULOUS COST.

22 THE FINAL ISSUE I WANTED TO RAISE AND ALSO  
23 THIS CAME UP EARLIER TODAY WAS ON THE QUESTION OF WHETHER  
24 WE'RE ESTIMATING TOTAL AND COMPLETE CLOSURE OR PHASED  
25 CLOSURE. AND GIVEN THE FACT THAT THIS IS THE FIRST



1 ATTEMPT TO DEAL WITH THIS ISSUE OF CLOSURE AND  
2 POSTCLOSURE COSTS, AND SINCE WE DON'T HAVE PLANS THAT ARE  
3 AVAILABLE, OUR FEELING IS THAT IT MAY NOT BE APPROPRIATE  
4 TO ASK THE OPERATOR TO PUT ASIDE MONEY FOR THE TOTAL  
5 CLOSURE OF THEIR SITE, WHEN, IN FACT, THEY HAVE 30 YEARS  
6 OF CAPACITY, OR WHATEVER THAT NUMBER IS, AND THAT THEIR  
7 INTENT IS TO CLOSE PORTIONS OF THE FACILITY IN A PHASED  
8 SEQUENCE AND BUDGET THOSE COSTS AS NEEDED, AND THAT,  
9 REALLY, WHAT WE SHOULD BE LOOKING AT IS THE FINAL  
10 CLOSURE, IS WHEN THE LANDFILL, ALL LANDFILL CELLS HAVE  
11 BEEN FILLED TO THEIR CAPACITY, THEN, WHAT'S IT GOING TO  
12 TAKE TO PROPERLY CLOSE AND MAINTAIN THAT LAST PORTION OF  
13 THE FACILITY.

14 AND OUR PRINCIPAL CONCERN IS THAT IF YOU'RE  
15 LOOKING 30 YEARS DOWN THE ROAD, YOU MAY HAVE WASTE  
16 MANAGEMENT UNITS THAT HAVE BEEN APPROVED, BUT NOT YET  
17 RECEIVED ONE OUNCE OF MATERIAL. AND YET YOU WOULD, AT  
18 THIS PARTICULAR TIME, BE FORCED TO START PUTTING ASIDE  
19 MONEY FOR THE CLOSURE OF A UNIT WHICH HAS NOT EVEN YET  
20 RECEIVED WASTE MATERIALS AND FOR WHICH THERE'S NO REVENUE  
21 STREAM THAT YET IS RESULTING FROM THAT ACTIVITY.

22 SO I THINK THAT'S A REAL TOUGH ISSUE THAT THE  
23 BOARD IS GOING TO HAVE TO GRAPPLE WITH IN THE FINAL  
24 REGULATIONS THAT COME OUT. AND IN THE ABSENCE OF THE  
25 PLANS, IT SEEMS LIKE A PARTICULARLY STRINGENT REQUIREMENT



1 TO ASK OR TO EXPECT THAT ALL COSTS ASSOCIATED WITH THE  
2 TOTAL CLOSURE OVER THE ENTIRE LIFE OF THE FACILITY BE  
3 CRANKED INTO THIS ESTIMATE DIVIDED BY REMAINING YEARS OF  
4 CAPACITY AND MONEY PUT IN THE BANK OR WHATEVER MECHANISM,  
5 JUST GIVEN THE TIME FRAME THAT'S AVAILABLE AND GIVEN THE  
6 ABSENCE OF A DEFINITIVE PLAN WHICH OUTLINES HOW THAT  
7 CLOSURE IS GOING TO OCCUR.

8 BOARD MEMBER BROWN: I'M CONFUSED AT THIS POINT AS  
9 TO WHETHER OR NOT AN OWNER OF MULTIPLE SITES IS ALLOWED  
10 TO AVERAGE HIS CLOSURE TIME, OR DOES HE TAKE EACH SITE  
11 INDEPENDENTLY AND HAVE TO. BECAUSE IN KENT'S EXAMPLE  
12 HERE, IF WE WERE USING AN AVERAGE OF CLOSURE DATES OR  
13 TIMES FOR A MULTIPLE SITE OWNER, IT COULD BE TO HIS  
14 ADVANTAGE TO HAVE SITES INCLUDED IN THE AVERAGE THAT HE'S  
15 NOT USING YET BECAUSE IT WOULD LOWER YOUR AVERAGE AND  
16 THEREFORE YOUR DEVISIBLE NUMBER. HOW ARE WE HANDLING  
17 THAT?

18 MR. ORR: BASICALLY, EACH SITE NEEDS TO BE  
19 ACCOUNTED FOR INDIVIDUALLY IN TERMS OF FIGURING OUT HOW  
20 MUCH MONEY WOULD NEED TO BE SET ASIDE; HOWEVER, IF IT'S A  
21 SITE THAT ISN'T, SAY, FOR EXAMPLE, PERMITTED, IS  
22 TOTALLY -- OR AN AREA ISN'T PERMITTED YET, YOU DEFINITELY  
23 COULDN'T COUNT THAT. I DON'T KNOW THAT WE'RE AVERAGING  
24 THINGS PER SE IN TERMS OF SETTING ASIDE MONIES; HOWEVER,  
25 IT COULD BE A COMPOSITE OF THE MONEY THAT WOULD BE



1 REQUIRED FOR EACH SITE WHICH MIGHT -- YOU COULD DIVIDE IT  
2 AT THAT POINT INTO, YOU KNOW, SAY, THE AVERAGE COST. BUT  
3 IN TERMS OF HOW WE'RE APPROACHING, WE'RE APPROACHING IT  
4 ON AN INDIVIDUAL SITE BASIS FOR THE ESTIMATE. AND, THEN,  
5 ONCE YOU -- YOU KNOW, YOU MIGHT BE ABLE TO SET ASIDE  
6 MONEY FOR EACH ONE OF THOSE LANDFILLS IN A COMMON AREA.

7 BOARD MEMBER BROWN: IT WOULD ULTIMATELY ADD UP TO  
8 AN AVERAGE.

9 MR. ORR: I THINK IT ULTIMATELY WOULD BE.

10 BOARD MEMBER GALLAGHER: MAY I EXPAND THAT JUST A  
11 LITTLE BIT TO INCLUDE MUNICIPALLY OWNED LANDFILLS, A CITY  
12 HAS THREE OR FOUR. IS THE CITY GOING TO BE REQUIRED TO  
13 DEVELOP A COST ESTIMATE FOR EACH INDIVIDUAL SITE AND FUND  
14 THAT SITE OUT OF THEIR GENERAL FUND, OR DO THEY JUST  
15 ASSUME THE COST AS THEY AVERAGE IT FOR ALL OF THEM?

16 MR. ORR: THE WAY THE LAW IS WRITTEN IS IT APPLIES,  
17 BASICALLY, TO EACH LANDFILL HAVING TO PREPARE THIS, EACH  
18 PERSON WHO OPERATES A LANDFILL. AND IT MAY, YOU KNOW, IN  
19 TERMS OF ACCOUNTING FOR THE MONIES, IT COULD GO INTO ONE  
20 MORE OR LESS COMMON SITUATION. BUT IN TERMS OF THE COSTS  
21 AND BUILDING UP THE RATES AT WHICH EACH OF THOSE FUNDS  
22 WOULD HAVE TO BE BUILT UP, IT MIGHT BE ON A VARYING RATE  
23 BASED ON HOW LONG IT'S GOING TO BE UNTIL THAT FACILITY  
24 CLOSES.

25 LIKE, IF YOU HAVE ONE FACILITY THAT HAS TEN



1 YEARS' WORTH OF LIFE LEFT TO BUILD UP, PERIOD, IT MAY BE  
2 ACCUMULATING MONEY FOR THAT SITE AT A MORE RAPID RATE  
3 THAN A FACILITY THAT HAD 50 YEARS OF LIFE. AND SO YOU  
4 PUT THAT TOGETHER AS A COMPOSITE, AND YOU MIGHT COME UP  
5 WITH AN AVERAGE FIGURE, BUT IT WOULD HAVE TO BE BASED  
6 INITIALLY ON EACH INDIVIDUAL LANDFILL.

7 BOARD MEMBER VARNER: MR. CHAIRMAN. I UNDERSTAND  
8 KENT'S PHASED APPROACH HERE, AND I THINK IT'S GOOD. BUT  
9 I'M WONDERING IF THERE ARE -- IF THERE ARE NOT SOME  
10 LANDFILLS THAT COULD NOT BE PHASED OUT, SAY, SOME SMALL  
11 ONES, THEN, IN THAT CASE YOU WOULD TAKE THE TOTAL. AND,  
12 FURTHER, AS JOHN WAS TALKING ABOUT, HE USED A MUNICIPAL  
13 THING, BUT I'M THINKING, AGAIN, IN MY OWN COUNTY, KERN  
14 COUNTY, THEY HANDLE ALL THE LANDFILLS OUTSIDE THE  
15 METROPOLITAN BAKERSFIELD AREA, AND MOST OF THEM ARE SMALL  
16 LANDFILLS SCATTERED ALL OVER.

17 NOW, IF I UNDERSTAND YOU RIGHT, BILL, EACH ONE  
18 OF THOSE WOULD HAVE TO BE CONSIDERED, EACH INDIVIDUAL  
19 LANDFILL WILL HAVE TO BE CONSIDERED ON ITS OWN MERITS AND  
20 ON ITS OWN CLOSURE PLAN AND SO FORTH, AND MONEY SET ASIDE  
21 SPECIFICALLY FOR EACH ONE OF THOSE?

22 MR. ORR: THAT'S CORRECT.

23 CHAIRMAN BEAUTROW: EXCUSE ME. WOULD YOU MIND  
24 RESPONDING TO WHAT KENT SAID ABOUT THE LANDFILL THAT  
25 WON'T EVEN BE UTILIZED? I MEAN, HERE IT IS IT'S



1 PERMITTED A THOUSAND ACRES AND THEY'VE GOT A KIND OF  
2 BANK, A LAND BANK IN RESERVE THERE. HOW DO WE DO WITH  
3 THIS?

4 MR. ORR: THE QUANDARY THAT WE'RE IN IS, THE STAFF  
5 IS, BECAUSE WE'RE REQUIRED TO HAVE THESE INITIAL COST  
6 ESTIMATES, AS KENT INDICATED, BEFORE WE ACTUALLY HAVE A  
7 PLAN. COMING UP WITH A CRITERIA FOR LOOKING AT A PHASED  
8 CLOSURE ABSENT THAT PLAN SEEMS VERY DIFFICULT FOR US.  
9 BECAUSE IN SOME INSTANCES AN OPERATOR MAY PURSUE A PHASED  
10 CLOSURE AND IN OTHER INSTANCES THE OPERATOR MAY NOT.

11 SO LET'S JUST TAKE A HYPOTHETICAL HERE, REAL  
12 QUICK. SAY, YOU HAD A LANDFILL THAT HAD TEN SUBDIVISIONS  
13 WITHIN THAT LANDFILL. IN THE ONE INSTANCE THE OPERATOR  
14 PURSUED CLOSING IT, WHERE MAYBE YOU WERE EXCAVATING FOR  
15 MATERIAL IN ONE AREA, YOU WERE PLACING FINAL COVER IN A  
16 SECOND AREA, AND THEN THE THIRD AREA WAS YOUR CURRENT  
17 OPERATION. SO YOU MIGHT ALWAYS HAVE THREE UNITS GOING AT  
18 ANY ONE TIME, TWO OF WHICH HAVE RECEIVED WASTE.

19 TAKE, ON THE OTHER HAND, SOMEBODY THAT HAS GOT  
20 TEN UNITS WITHIN THEIR LANDFILL AND THEY CHOOSE, SAY, TO  
21 PLACE ONLY INTERMEDIATE COVER OVER THE ENTIRE TEN UNITS  
22 AND CLOSE THEM ALL AT THE VERY END.

23 WITHOUT HAVING A PLAN TO DIFFERENTIATE THOSE  
24 TWO, AT THIS POINT I DON'T SEE HOW WE CAN SAY THE PHASED  
25 APPROACH IS OKAY HERE AND NOT OKAY HERE BECAUSE WE CAN'T



1 REALLY DETERMINE HOW THAT PHASED IMPLEMENTATION WOULD  
2 OCCUR ABSENT AN APPROVED CLOSURE PLAN WHICH WILL BE  
3 FORTHCOMING IN A COUPLE OF YEARS.

4 CHAIRMAN BEAUTROW: WHY CAN'T WE -- I MEAN,  
5 WOULDN'T IT BEHOVE THE APPLICANT TO SUBMIT SOMETHING  
6 EARLIER TO DEMONSTRATE WHAT HE'S -- I MEAN, CAN'T WE MAKE  
7 A PROVISION THAT IF THIS IS THE CASE, THAT THEY COULD  
8 DEMONSTRATE IT NOW THAT THERE IS CLOSURE, THAT THERE IS  
9 GOING TO BE PHASED CLOSURE PLANS, AND HERE THEY ARE AND  
10 THIS IS HOW -- THIS IS THE BASIS FOR OUR ESTIMATE? IN  
11 OTHER WORDS, INSTEAD OF PUTTING THE BURDEN ON HIM  
12 SOMETIME IMMEDIATELY, IF WE CAN ASK HIM TO DEMONSTRATE IT  
13 NOW, CAN'T WE FACTOR THAT INTO THERE AND MAKE THIS THE  
14 BASIS?

15 MR. ORR: I THINK THAT GENERALLY IS A GOOD  
16 APPROACH. THE PROBLEM I SEE IS WE DON'T HAVE REGULATIONS  
17 IN PLACE YET TO SAY THIS IS SORT OF AN APPROVED PLAN, SO  
18 WE'RE NOT PLANNING ON APPROVING THE PLANS BASED ON  
19 SUBMISSIONS FOR THESE INITIAL CERTIFICATIONS.

20 CHAIRMAN BEAUTROW: CAN'T WE MAKE PROVISIONS IN OUR  
21 ESTIMATE THAT HE HAS TO DEMONSTRATE THAT HE HAS A PHASED  
22 APPROACH BY APPROPRIATE SUBMISSIONS THAT WE IN -- I KNOW  
23 THAT -- I UNDERSTAND FULLY WHAT YOU ARE SAYING. IT'S  
24 THAT WE WANT TO DRAW A LINE HERE, AND I'M SAYING IS THERE  
25 SOME WAY OF UNDERSTANDING THAT OR MAKING -- BECAUSE I



1 KNOW THERE IS NOT A LOT OF THEM, BUT THERE ARE A FEW OF  
2 THESE CASES. WELL, OKAY, THAT'S SOMETHING THAT NEEDED  
3 BROUGHT UP.

4 MR. STODDARD: IF I COULD JUST MAYBE EMPHASIZE ONE  
5 LAST POINT. THE STAFF HAS A REAL QUANDARY BECAUSE THIS  
6 IS REAL HARD. YOU DON'T WANT TO LET SOMEBODY OFF THE  
7 HOOK BECAUSE THEY SAY, WELL, WE HAVE A PHASED CLOSURE  
8 PLAN AND WE ONLY NEED A \$100,000 TO COMPLETE THE LAST  
9 CELL, AND EVERYTHING WILL BE ALL RIGHT. THAT'S CERTAINLY  
10 NOT THE INTENT OF THE LAW.

11 ON THE OTHER HAND, YOU DON'T WANT PEOPLE -- I  
12 DON'T THINK THE BOARD EXPECTS PEOPLE TO BE SETTING ASIDE  
13 CLOSURE MONIES FOR UNITS THAT AREN'T RECEIVING WASTE YET.  
14 SO I THINK OUR SUGGESTION WOULD BE LOOK AT THIS PROCESS  
15 FOR WHAT IT IS, WHICH IS THE INITIAL CERTIFICATION, AND I  
16 THINK THE LEGISLATURE IS SAYING LET'S MAKE SURE THAT  
17 EVERYBODY IS GETTING SOME KIND OF RESOURCES SET ASIDE AS  
18 EARLY AS POSSIBLE TO DEAL WITH CLOSURE AND THEN MANDATE  
19 THE BOARD TO COME UP WITH REGULATIONS THAT WILL REQUIRE  
20 EVERYBODY HAVE PLANS, MAKE THOSE PLANS BE SUBJECT TO A  
21 RIGOROUS REVIEW, AND THEN MAKE SURE THE RESOURCES ARE  
22 THERE TO CARRY OUT THE PLAN.

23 AND I THINK, AS WE APPROACH THE FIRST STEP OF  
24 THE PROCESS, WHICH IS THE INITIAL CERTIFICATION AND JUST  
25 MAKING SURE PEOPLE ARE PUTTING SOME KIND OF RESOURCES



1 ASIDE, WE HAVE TO TAKE A REALISTIC VIEW OF WHAT IS  
2 DOABLE. AND I THINK EARLY ON, AT THIS STAGE OF THE GAME,  
3 WITHOUT CLOSURE PLANS, IT'S HARD TO GET INTO SOME OF  
4 THESE KIND OF DETAILS; AND IT MAY BE APPROPRIATE TO PUT  
5 SOME OF THOSE ASIDE UNTIL WE GET INTO THE FULL REGULATORY  
6 PROCESS ON THIS.

7 CHAIRMAN BEAUTROW: GOING BACK TO THIS ONE LAST  
8 THING, THE FIRST THING -- ISSUE THAT HE RAISED WAS THE  
9 PREMIES, AND I THINK WE NEED SOME KIND OF LANGUAGE.  
10 IT'S -- I THINK RIGHT AT OUT THE OUTSET YOU INDICATED  
11 THAT THE CONTINGENCY FUND, THAT WAS KIND OF FACTORED IN  
12 THERE, THE CONTINGENCY FIGURE.

13 MR. ORR: I THINK THAT THE PRIMARY -- OUR  
14 UNEXPECTED EVENTS ASSOCIATED WITH THE LANDFILL CLOSURE  
15 AND THE MAINTENANCE AFTER THE FACT OF IT CLOSING, IN  
16 TERMS OF THE PREMATURE CLOSURE, I THINK THAT IN THE WAY  
17 THAT WE'VE APPROACHED THE DEVELOPMENT OF THE WORKSHEET  
18 WAS TO SAY THAT YOU NEED TO ACCOUNT FOR THE MAXIMUM  
19 AMOUNT, LIKE THE TIME DURING THE LANDFILL'S LIFE WHEN  
20 IT'S GOING TO BE MOST EXPENSIVE TO CLOSE IT.

21 ONE OF THE REALITIES THAT WE'VE OBSERVED A FEW  
22 MONTHS BACK, WE HAD A SPEAKER FROM THE DEPARTMENT OF  
23 HEALTH SERVICES WHO WAS TALKING ABOUT THEIR FINANCIAL  
24 ASSURANCE PROVISIONS FOR THE HAZARDOUS WASTE FACILITIES  
25 AND THEY HAVE EXPERIENCED THE REALITY OF PREMATURE



1 CLOSURES THAT THEY DID NOT ACCOUNT FOR WHEN THEY  
2 DEVELOPED THEIR FINANCIAL MECHANISMS. SO IN THE LONG  
3 TERM WE DEFINITELY ARE GOING TO NEED TO DEAL WITH THE  
4 PREMATURE CLOSURE. IN TERMS OF INITIAL CERTIFICATIONS,  
5 FOR THE PURPOSES OF WHAT WE'VE ASKED FOR, WE'VE LOOKED  
6 FOR THE MAXIMUM AMOUNT THAT IT WOULD TAKE TO CLOSE A  
7 LANDFILL.

8 CHAIRMAN BEAUTROW: THE SCHEDULED CLOSURE.

9 MR. ORR: THAT WOULD BE IF THE LANDFILL CLOSED, NOT  
10 MAYBE ASSOCIATED WITH THE CIRCUMSTANCES FOR SOMEBODY  
11 WALKING AWAY; FOR EXAMPLE, A MAJOR GROUNDWATER  
12 CONTAMINATION PROBLEM. WE CAN'T ENVISION THAT AND WE  
13 CAN'T DEAL WITH THAT. BUT, IF, UNDER OTHER PROVISIONS OF  
14 THE LAW THE WASTE BOARD HAS TO CONTRACT FOR THE  
15 PREPARATION OF A CLOSURE PLAN OR THE IMPLEMENTATION OF  
16 THE PLAN, WHICH IS SPELLED OUT IN THE LAW, OR IN THE  
17 OTHER INSTANCE, IF WE DECIDE TO HAVE A REGIONAL BOARD  
18 PREPARE OR IMPLEMENT A CLOSURE PLAN, THAT WOULD BE WHAT  
19 WE WOULD BE LOOKING TOWARD AT THAT TIME.

20 IT'S -- SO IT IS A REAL ISSUE BECAUSE THOSE  
21 ARE OTHER ASPECTS TO THE LAW IN TERMS OF IF THE NECESSITY  
22 PRESENTS ITSELF, TO HAVE TO PREPARE AS A THIRD PARTY A  
23 CLOSURE PLAN.

24 CHAIRMAN BEAUTROW: ALL I'M SAYING IS THAT IN OUR  
25 LANGUAGE AND EXPLANATION THAT WHEN THIS GETS OUT IN THE



1 STREET, THIS IS SET UP AT THE PRESENT TIME FOR SCHEDULED  
2 CLOSURES. IS THAT A CORRECT STATEMENT?

3 MR. ORR: I DON'T BELIEVE --

4 CHAIRMAN BEAUTROW: CAN'T IT BE ONE WAY OR THE  
5 OTHER?

6 MR. ORR: I BELIEVE WE'VE SET UP FOR MAXIMUM COST  
7 OF CLOSURE, WHATEVER POINT THAT WOULD BE IN THE ULTIMATE  
8 CASE OF THE PHASED CLOSURE. IF YOU'VE GOT EVERYTHING  
9 ELSE CLOSED AT THAT TIME, THAT'S NOT A PROBLEM. WHAT WE  
10 ARE LOOKING AT AS WE'VE GOT THE DOCUMENT NOW WOULD BE  
11 THAT POINT IN TIME WHEN THE MAXIMUM EXPOSURE WOULD BE IN  
12 TERMS OF RESOURCES THAT IT WOULD TAKE TO CLOSE THE  
13 FACILITY.

14 CHAIRMAN BEAUTROW: ANYTHING ELSE, KENT?

15 MR. STODDARD: I JUST SAY THAT'S A REAL DIFFICULT  
16 CONCEPT, YOU KNOW, TO LOOK AT THE LIFE OF YOUR FACILITY  
17 AND SAY AT WHAT POINT IS IT GOING TO COST US THE MOST TO  
18 CLOSE THIS FACILITY. AND I THINK WE WOULD ALL BE BETTER  
19 SERVED IF WE WERE JUST REALLY CLEAR THAT THIS DOESN'T  
20 DEAL WITH PREMATURE CLOSURE. THIS DEALS WITH SCHEDULED  
21 CLOSURE, AND IT'S BEEN CONSTRUCTED THAT WAY, AND WITH  
22 FUNDS BEING SET ASIDE THAT WAY; AND IF THERE IS A NEED TO  
23 DEAL WITH PREMATURE CLOSURE, I THINK WE WOULD  
24 CERTAINLY --

25 CHAIRMAN BEAUTROW: CHANGE THE LEGISLATION.



1 MR. STODDARD: WELL, PERHAPS OR WITHIN THE CONTEXT  
2 OF THE CLOSURE PLANS AND ALL THE REGULATORY ACTIVITIES  
3 THAT THE BOARD IS CURRENTLY INVOLVED IN, THERE MAY BE  
4 ANOTHER WAY THAT WE HAVE TO DEAL WITH PREMATURE CLOSURE.  
5 AND IT'S JUST A REAL DIFFERENT KIND OF PROCESS AND THE  
6 FINANCIAL RESOURCES ARE COMPLETELY DIFFERENT, AND YOU MAY  
7 BE FACED WITH MILLIONS AND MILLIONS OF DOLLARS TOMORROW.  
8 IF WE'RE TALKING PREMATURE CLOSURE, ALL OF THIS DOESN'T  
9 MAKE A HECK OF A LOT OF SENSE. IT JUST SEEMS LIKE WE  
10 NEED TO DISTINGUISH BETWEEN THE PROBLEMS WE'RE TRYING TO  
11 ADDRESS AND THEN TAILOR OUR SOLUTION TO THAT SPECIFIC  
12 PROBLEM. THANK YOU.

13 WE HAD A COUPLE OF COMMENTS ON THE FINANCIAL  
14 PORTION WHICH WILL BE WITHHELD UNTIL LATER.

15 CHAIRMAN BEAUTROW: MR. IWAHIRO.

16 MR. IWAHIRO: YES, IF I COULD COMMENT ON THAT.

17 I THINK WHAT I'M HEARING IS THAT WHILE THERE  
18 IS A PROBLEM IN DEALING WITH SITES WHICH ARE -- HOW DO  
19 YOU PUT IT -- I LOST MY TRAIN OF THOUGHT, QUITE FRANKLY.

20 CHAIRMAN BEAUTROW: PREMATURE CLOSURE?

21 MR. IWAHIRO: YEAH.

22 -- SITES THAT HAVE PREMATURE CLOSURE. I DON'T  
23 THINK WE HAVE TO DEAL WITH THOSE RIGHT NOW; HOWEVER, IN  
24 OUR REGULATIONS DEVELOPMENT, WHICH IS GOING TO COME UP IN  
25 JULY OF NEXT YEAR, BY JULY OF NEXT YEAR, WE COULD DEAL



1 WITH THOSE. I THINK THAT'S WHAT WASTE MANAGEMENT IS  
2 SAYING. AND WHAT WE'RE RESPONDING TO IS PRIMARILY THAT  
3 WE FEEL THAT SUBTITLE D IS GOING TO REQUIRE IT. THERE IS  
4 ACTUAL FACT WHERE WE'RE HAVING TO PREMATURELY CLOSE IT;  
5 SO AT THIS POINT, WE'RE TALKING ABOUT AN ESTIMATE, AN  
6 INITIAL ESTIMATE. PERHAPS, YOU KNOW, WE COULD LET THAT  
7 GO.

8 CHAIRMAN BEAUTROW: OKAY. BUT I THINK WE'RE BEING  
9 KIND OF DOGMATIC ABOUT IT. WE'RE TALKING ABOUT ALL OF  
10 THIS STUFF, AND IN YOUR ANSWER YOU KEEP COMING BACK --  
11 YOU MAY NOT CALL IT PREMATURE CLOSURE. IT'S THE MAXIMUM  
12 COST, OKAY? AND THAT'S WHAT YOU ARE SAYING, AND YOU'RE  
13 LEAVING IT UP TO THEM TO DETERMINE IF IT'S A PREMATURE.  
14 MAY BE MAXIMUM. I DON'T KNOW --

15 MR. IWAHIRO: I THINK WE WOULD --

16 CHAIRMAN BEAUTROW: I THINK WE NEED CLARIFICATION,  
17 OKAY?

18 MR. IWAHIRO: I THINK WE WOULD TAKE DIRECTION FROM  
19 THE BOARD ON THAT.

20 BOARD MEMBER VARNER: BILL, YOU ARE NOT TALKING  
21 ABOUT THE SAME THING HERE, ARE YOU? I MEAN, MAXIMUM  
22 COSTS AND PREMATURE, IS THAT PART OF THE SAME THING?

23 MR. ORR: IT COULD BE. IT'S NOT AUTOMATICALLY --

24 BOARD MEMBER VARNER: I KNOW --

25 MR. ORR: IT COULD BE THAT SCHEDULED CLOSURE COULD



1 BE THE TIME WHEN EVERYTHING NEEDS TO BE CLOSED, AND THEN  
2 THAT WOULD BE THE TIME THAT IT WOULD COST THE MOST.  
3 COULD BE THAT; FOR EXAMPLE, AT SOME POINT, YOU HAD,  
4 SAY -- BACK TO THAT HYPOTHETICAL -- FIVE OF THE TEN CELLS  
5 OR UNITS NOT CLOSED. MAYBE 10 OR 15 YEARS BEFORE YOU  
6 WERE GOING TO CLOSE THE ENTIRE SITE YOU STARTED TO CLOSE  
7 OFF THOSE UNITS. SO IT MAY BE IN THAT INSTANCE THAT, YOU  
8 KNOW, IT MIGHT BE SOME OTHER TIME THAN THE VERY LAST DAY  
9 THE WASTE IS ACCEPTED WOULD BE THE MOST EXPENSIVE DAY.

10 SO IT IS -- IT CAN ACCOUNT FOR PREMATURE  
11 CLOSURE AS BEING, IN A SENSE, LOOKING AT THE FACILITY AND  
12 SAYING IF IT CLOSES LIKE THIS, WE WOULDN'T HAVE OUR FINAL  
13 DRAINAGE SYSTEM IN YET. WE MIGHT HAVE TO DO SOMETHING  
14 ELSE AND IT MIGHT BE MORE EXPENSIVE. MIGHT MEAN THAT THE  
15 LAST DAY OF WASTE WOULD NOT BE THE MOST EXPENSIVE DAY.

16 IN TERMS OF LOOKING AT THE SCHEDULED CLOSURE  
17 AS THE DATE, I THINK THAT IS SOMETHING THAT WE COULD LOOK  
18 AT IF WE GO WITH THE SCHEDULED CLOSURE DATE. I WOULD  
19 FAVOR THAT OVER SOME MODIFICATION FOR PARTIAL CLOSURE.  
20 IF WE JUST WANT TO GO ON SCHEDULED CLOSURE THEN THAT --  
21 SO BE IT, BUT THAT WOULD SORT OF BE, I GUESS, SOMEWHAT OF  
22 A TRADE-OFF IN TERMS OF HOW TO DEAL WITH PARTIAL CLOSURE,  
23 MAXIMUM COSTS, AND ALL THOSE DIFFERENT ISSUES.

24 BOARD MEMBER VARNER: AREN'T WE GOING TO GO IN THE  
25 CLOSURE PLAN THAT DIFFERENT OPERATORS SUBMIT TO US? I



1 WOULD THINK THAT THEY INITIALLY ARE GOING TO HAVE TO GO  
2 ON A SCHEDULED CLOSURE PLAN THE FIRST YEAR, LET'S SAY,,  
3 AND THEN WE MODIFY OUR REGULATIONS OR WHATEVER IS  
4 NECESSARY TO TAKE THE REALITY OF THE SITUATION. IF A  
5 PHASED CLOSURE PLAN IS PRESENTED TO US, THAT THEN WE HAVE  
6 TO HAVE REGULATIONS THAT WILL ALLOW THAT. IS THAT WHAT  
7 I'M TO UNDERSTAND?

8 MR. ORR: I BELIEVE SO.

9 BOARD MEMBER VARNER: SO AT THAT POINT, THEN THEY  
10 MODIFY THEIR THING AND THEY ALSO MODIFY THEIR COST  
11 ESTIMATES. SO IT'S UP TO THE -- I WOULD THINK IT'S UP TO  
12 THE OPERATOR TO FIGURE WHAT HIS ESTIMATE IS, AND I DOUBT  
13 THAT ANYBODY WOULD TRY TO FIGURE SOME CATASTROPHE INTO IT  
14 BECAUSE THEY COULDN'T DO IT. SO MAYBE WE'RE TALKING  
15 ABOUT SOMETHING, AGAIN, THAT ISN'T EVER GOING TO HAPPEN.

16 CHAIRMAN BEAUTROW: WELL, WE'VE GOT TWO MORE  
17 SPEAKERS HERE. JIM MAGEE FROM SAN DIEGO COUNTY.

18 MR. MAGEE: THANK YOU, MR. ACTING VICE CHAIRMAN.

19 MY NAME IS JIM MAGEE. I'M A PRINCIPAL CIVIL  
20 ENGINEER IN CHARGE OF THE SOLID WASTE DIVISION IN SAN  
21 DIEGO COUNTY.

22 WE ARE ONE OF THOSE AGENCIES THAT OPERATE  
23 MULTIPLE LANDFILLS. I HAVE ALSO SOME COMMENTS ON THE  
24 FINANCIAL MECHANISMS THAT I -- AS YOU REQUESTED, WE'LL  
25 DEFER TILL LATER.



1           FIRST OF ALL, WE'D LIKE TO SAY THAT WE DO  
2 SUPPORT STAFF'S GENERAL APPROACH ON THIS. WE BELIEVE  
3 IT'S A RESPONSIBLE AND REASONABLE WAY OF MANAGING  
4 LANDFILLS. WE BELIEVE IT WILL PROVIDE FOR THE PUBLIC --  
5 PROTECTION OF THE PUBLIC.

6           OUR CONCERN OR OUR ONE MAJOR COMMENT RELATIVE  
7 TO COST IS THAT WE THINK AS PROPOSED IT IS, BY IN LARGE,  
8 DOABLE AS LONG AS WHEN STAFF IS REVIEWING OUR COST  
9 ESTIMATES, THAT THEY TAKE INTO CONSIDERATION THE FACT  
10 THAT WE ARE ESTIMATING HOW WE ARE GOING TO IMPLEMENT  
11 REGULATIONS THAT HAVE NOT YET BEEN WRITTEN. AND SO WE  
12 WOULD HOPE THAT UNTIL THE REGULATIONS ARE WRITTEN, THAT  
13 THAT IS CONSIDERED AS STAFF REVIEWS THE SUBMISSIONS.

14           WE ALSO ARE VERY PLEASED TO SEE THAT THE  
15 ESTIMATES ARE ADJUSTABLE LATER AS YOUR BOARD DEVELOPS  
16 FINAL REGULATIONS AND AS WE DEVELOP OUR FINAL CLOSURE  
17 PLANS. ONE GOOD EXAMPLE, FOR INSTANCE, IS THERE'S A  
18 REQUIREMENT IN THE ESTIMATE TO ESTIMATE THE COST OF  
19 MONITORING WELLS. WE WILL, IN FACT, INCLUDE THOSE IN OUR  
20 ESTIMATES THAT WE WILL BE SUBMITTING TO YOU; HOWEVER,  
21 MOST OF THE MONITORING WELLS IN SAN DIEGO COUNTY, WE TAKE  
22 A SLIGHTLY DIFFERENT APPROACH AND PLACE THOSE IN WHEN WE  
23 OPEN LANDFILLS. WE THINK THEY'RE VALUABLE AS A DEFENSE  
24 AGAINST THE ACCUSATION THAT WE'RE POLLUTING THE WORLD.

25           THE OTHER THING IS THAT WE WOULD HOPE TO BE



1 ABLE TO TAKE A SYSTEM APPROACH. OUR TIPPING FEES -- WE  
2 ARE AN ENTERPRISE FUND, WHICH WE WILL GET BACK TO LATER  
3 IN THE FINANCIAL MECHANISM. WE ARE AN ENTERPRISE FUND  
4 AND CURRENTLY WE HAVE A UNIFORM TIPPING FEE THROUGHOUT  
5 OUR SYSTEM. IT MAKES LIFE A LOT EASIER. IT KEEPS PEOPLE  
6 FROM DRIVING LONG DISTANCES TO GET TO THE CHEAPER  
7 LANDFILLS, SO IT MAKES IT MUCH EASIER TO MANAGE THE  
8 SYSTEM HAVING A SET SAME TIPPING FEE.

9 AND WE WOULD ESTABLISH THIS, TAKING INTO  
10 CONSIDERATION THAT WE, IN FACT, WILL BE FACING THE  
11 SITUATION OF A LANDFILL CLOSING WITHIN THE NEXT THREE  
12 YEARS. WE WOULD EXPECT THAT OUR CONTRIBUTION INTO OUR  
13 CLOSURE FUND WILL LIKELY BE HIGHER FOR THE NEXT THREE  
14 YEARS THAN IT WILL LATER AS WE ACCOUNT FOR THOSE EARLY-ON  
15 COSTS. AGAIN, I'M GLAD TO SEE IT'S ADJUSTABLE SO THAT WE  
16 CAN TAKE LANDFILLS OUT OF THE ESTIMATE AS WE ACTUALLY  
17 CLOSE THEM OUT.

18 ONE COMMENT -- I'M NOT SO SURE THE ISSUE THAT  
19 YOU ARE TRYING TO ADDRESS OF PHASED CLOSURE VERSUS FINAL  
20 CLOSURE MAY BECOME REALLY THAT GERMANE. THERE'S SO MUCH  
21 DIRT YOU'VE GOT TO PUT OVER THE TOP OF THE LANDFILL,  
22 WHETHER YOU DO IT IN TEN INCREMENTS OR ALL AT ONCE, IT'S  
23 GOING TO BE THAT SAME AMOUNT OF COST THAT HAS TO BE  
24 ACCUMULATED.

25 WE, AS I SAID, WILL PROBABLY BE DOING MANY OF



1 THE THINGS THAT ARE CONSIDERED IN THE COST ESTIMATE TO BE  
2 CLOSURE COSTS AS PART OF OUR ONGOING OPERATIONS. AS WE  
3 SUBMIT CLOSURE PLANS AND UPDATE THE CLOSURE ESTIMATES, WE  
4 WILL TAKE THOSE INTO CONSIDERATION. AND FROM TALKING  
5 WITH STAFF, I BELIEVE THAT IS THE APPROPRIATE TIME TO  
6 DEAL WITH THEM.

7 I WOULD RECOMMEND AGAINST A LARGE COMMON FUND  
8 TO ACCOMMODATE THE PEOPLE WHO HAVE OPERATED LANDFILLS AND  
9 HAVE DRAWN THE PROFIT OUT OF THEM FOR THEIR PERSONAL USE.  
10 IF IT'S A BUSINESS, THEY HAVE THE RIGHT TO, BUT I WOULD  
11 NOT WANT TO BE -- I WOULD RATHER PUT THE MONEY ASIDE FOR  
12 OURS BASED ON WHAT WE THINK ARE NECESSARY. I WOULD NOT  
13 WANT TO BE UP HERE BEFORE YOUR BOARD ARGUING FOR ENOUGH  
14 MONEY TO CLOSE MY LANDFILLS. I WOULD RATHER PUT THEM  
15 AWAY OURSELVES AND GUARANTEE THAT WE HAVE SUFFICIENT  
16 MONEY TO PUT IT ASIDE.

17 AND IF YOU ARE GOING TO TREAT THE OTHER  
18 SHORT-TERM LANDFILLS, THEN IT SHOULD BE AS A SEPARATE  
19 FUND MUCH AS THE BILL HAS CURRENTLY A SEPARATE FUND THAT  
20 WE'RE REQUIRED TO SUBMIT TO YOU, BUT THAT YOU ALLOW  
21 OPERATORS TO ACCUMULATE THE MONEY FOR THEIR OWN CLOSURE  
22 BECAUSE WE MAY END OF CLOSING OUR LANDFILLS IN EXCESS OF  
23 YOUR REQUIREMENTS. WE'LL BE DOING SOME TRADE-OFFS OF THE  
24 COST OF CLOSURE VERSUS THE COST OF ONGOING MAINTENANCE.

25 MANY OF OUR LANDFILLS, WE WANT TO HAVE OTHER



1 USES ON THEM, AND SO SOME OF OUR CLOSURE COSTS MAY BE  
2 HIGHER THAN WHAT YOU WOULD INITIALLY LOOK FOR. SO I  
3 DON'T WANT TO BE COMING BACK TO YOU ARGUING FOR MY MONEY  
4 BACK TO CLOSE OUT THE LANDFILLS. SO I'LL JUST ARGUE  
5 AGAINST A GIANT POT AND ARGUE THAT EACH ENTITY SHOULD BE  
6 ABLE TO ACCUMULATE THEIR OWN MONEY TO COVER THEIR COST OF  
7 CLOSURE AND LONG-TERM MAINTENANCE; BUT, AS I SAID, THERE,  
8 I DO HAVE SOME COMMENTS ON THE FINANCIAL MECHANISMS THAT  
9 I'D LIKE TO ADDRESS LATER.

10 BOARD MEMBER VARNER: MR. CHAIRMAN. I AGREE WITH  
11 YOUR LAST COMMENTS, YOU KNOW, ABOUT THE GIANT FUND  
12 BECAUSE EVERYBODY IS GOING TO OBJECT TO PAYING FOR  
13 SOMEBODY ELSE'S COST. THERE ARE GOING TO HAVE TO BE SOME  
14 KIND OF MECHANISM TO PAY FOR THINGS THAT HAVE HAPPENED IN  
15 THE PAST THAT'S GOING TO HAVE TO BE REMEDIED. I DON'T  
16 KNOW IF THAT'S UP TO THIS BOARD TO DECIDE OR NOT. WE  
17 PROBABLY WILL ADMINISTERE IT WHENEVER THE LEGISLATURE  
18 DECIDES IT.

19 ON A COUPLE OF OTHER THINGS, AS I ASKED THE  
20 QUESTION OF MR. ORR A WHILE AGO, HE SAID THAT EACH  
21 INDIVIDUAL SITE WOULD HAVE TO BE CONSIDERED ON ITS OWN.  
22 AND LET'S SAY YOU HAD THE SAME TIPPING FEES AT ALL YOUR  
23 LANDFILL SITES. ARE YOUR COSTS GOING TO BE IDENTICAL AT  
24 ALL THE SITES?

25 MR. MAGEE: NO. OUR OPERATING COSTS ARE CURRENTLY



1 NOT IDENTICAL, AND I'M SURE OUR CLOSURE COSTS ARE NOT  
2 IDENTICAL. WE WOULD, HOWEVER, PUT ASIDE -- OR THE WAY WE  
3 WOULD ENVISION IT AT THE MOMENT IS TO SEPARATELY COST  
4 EACH LANDFILL IS THE ONLY WAY I KNOW OF ESTIMATING HOW  
5 MUCH IT'S GOING TO COST TO CLOSE IT, AND THEN STEP BACK  
6 AND LOOK AT THE SYSTEM TO PROVIDE THE MONEY FOR THOSE  
7 CLOSURES.

8 AS I SAID, WE'VE GOT ONE THAT'S CLOSING IN  
9 THREE YEARS. WE WOULD ESTIMATE ITS COST HITTING US IN  
10 THREE YEARS. SOME OF THE OTHERS AREN'T GOING TO BE  
11 CLOSING FOR LIKE 20 YEARS OR MORE. SO WE WOULD LOOK AT  
12 THAT CASH FLOW PROBLEM. BASICALLY, IT'S JUST AN ECONOMIC  
13 PROBLEM. YOU HAVE CASH THAT HAS TO GO OUT IN THREE  
14 YEARS, AND WE WILL ASSURE -- YOU KNOW, WE WILL ASSURE  
15 THAT WE SET OUR CURRENT PRICE PER TON SUFFICIENT TO COVER  
16 THAT CLOSURE.

17 WHAT I WAS SAYING IS THAT AFTER THAT CLOSURE,  
18 IT MAY VERY LIKELY BE THAT WE WILL REDUCE THE AMOUNT WE  
19 PUT ASIDE PER TON BECAUSE WE DON'T HAVE THE IMMEDIATE  
20 NEED FOR IT. SO AS LONG AS THE PRICE IS ADJUSTABLE, WE  
21 WILL PAY FOR IT -- COST IT ON AN INDIVIDUAL BASIS. WE  
22 WILL PAY FOR IT ON A SYSTEM BASE.

23 BOARD MEMBER VARNER: I JUST WANT TO MAKE SURE THAT  
24 YOU UNDERSTOOD THAT, BUT YOU DON'T HAVE ANY PROBLEM WITH  
25 THAT, AND YOU ARE GOING TO ADJUST THAT WITHIN YOUR OWN



1 SYSTEM. IN OTHER WORDS, AS I UNDERSTAND IT, THE BOARD  
2 ISN'T GOING TO ALLOW YOU TO AVERAGE IT TO US, BUT YOU CAN  
3 AVERAGE IT FOR YOURSELF AND MAKE INDIVIDUAL -- YOU WILL  
4 MAKE THE INDIVIDUAL ADJUSTMENTS. IN OTHER WORDS, I WANT  
5 TO MAKE SURE YOU UNDERSTOOD AND DIDN'T HAVE A PROBLEM  
6 WITH IT.

7 THE OTHER THING. YOU TALKED ABOUT THE  
8 PHASED -- YOU OBJECTED TO THE PHASED APPROACH, AS I  
9 UNDERSTAND IT, BECAUSE YOU SAID THAT IT COSTS SO MUCH TO  
10 PUT THE DIRT OVER THE WHOLE THING AS OPPOSED TO PUTTING  
11 IT IN INCREMENTS.

12 MR. MAGEE: I JUST MEANT THAT YOU ARE APPROACHING  
13 IT AS AN ISSUE, AND I'M NOT SO SURE THAT YOUR BOARD WILL  
14 EVENTUALLY FIND IT TO BE AN ISSUE. BECAUSE I THINK THE  
15 WAY WE'RE LOOKING AT IT IS A LITTLE BIT DIFFERENT THAN  
16 THE WAY I HEARD IT DESCRIBED AS FIGURE OUT THE COSTS ON  
17 THE MAXIMUM DAY. WE'RE LOOKING AT ALL THE COSTS OF  
18 CLOSING IT NO MATTER WHAT DAY IT OCCURS AND ACCUMULATING  
19 THEM ALL UP AND THEN MAKING SURE THERE'S ENOUGH MONEY FOR  
20 ALL OF THEM SO THAT WE WOULD HAVE ADDED UP ALL THE  
21 INCREMENTAL COST AS A TOTAL.

22 SO TAKE A TEN-YEAR SITE THAT YOU'RE GOING TO  
23 CLOSE A \$100,000 A YEAR. THAT'S GOING TO COST A MILLION  
24 DOLLARS OVER TEN YEARS. THAT'S STILL A \$100,000 A YEAR.  
25 SO I'M NOT SO SURE THAT IT WILL EVENTUALLY BE THE ISSUE



1 THAT IT APPEARS TO BE RIGHT NOW IF ALL OF THE CLOSURE  
2 COSTS ARE INCLUDED IN THE ESTIMATE, NOT JUST THE CLOSURE  
3 COST ON THE LAST DAY.

4 BOARD MEMBER VARNER: I WOULD AGREE WITH THAT  
5 BECAUSE, AS I SAID TO MR. ORR, IT'S UP TO THE OPERATOR TO  
6 BE AWARE THAT HE SHOULD HAVE THIS MAXIMUM THING FIGURED  
7 IN, AND THAT'S UP TO YOU TO DO IT OR TO ADJUST IT AS TIME  
8 COMES ALONG. I SUPPOSE THAT THE REGULATORY AGENCY WILL  
9 ADJUST IT FOR YOU IF THEY FIND OUT IT'S A PROBLEM.

10 THE ONLY THING THAT I CAN SAY ON THE PHASED  
11 APPROACH IS I DON'T THINK THERE'S ANY PROBLEM TO IT.  
12 IT'S ONE WE'RE GOING TO HAVE TO ADDRESS WHEN THE TIME  
13 COMES. YOU CAN'T DO IT UPFRONT. THE ONLY THING I WAS  
14 THINKING WHEN YOU SAID IT'S THE SAME DOLLARS IF YOU PHASE  
15 SOMETHING OUT THIS YEAR AND THEN TEN YEARS LATER YOU  
16 PHASE SOMETHING ELSE OUT IS I THINK THERE IS A DIFFERENCE  
17 IN THE COST. AND I THINK, AS MR. STODDARD WAS TALKING  
18 ABOUT WITH THE MANY LANDFILLS THAT THEY RUN, THAT IT WILL  
19 SAVE THEM MONEY OVER A PERIOD OF TIME BECAUSE WHAT THEY  
20 COVER AND PHASE OUT THIS YEAR IS GOING TO BE CHEAPER THAN  
21 IT WILL BE IN 1995, LET'S SAY. AT LEAST WE CAN SAY THAT  
22 FROM PAST EXPERIENCE. SO THERE IS SOME MERIT TO THE  
23 PHASED APPROACH.

24 MR. MAGEE: I WOULD AGREE RELATIVE TO INFLATION,  
25 THAT'S FOR SURE.



1 BOARD MEMBER VARNER: SO THAT'S ONE WE WILL DEAL  
2 WITH WHEN THE TIME COMES.

3 MR. MAGEE: DO YOU THINK THAT WOULD BE THE  
4 APPROPRIATE TIME TO DEAL WITH THAT, THEN, IS WITH THE  
5 SUBMISSION OF ACTUAL CLOSURE PLAN, WHEN THE OPERATOR  
6 TELLS YOU HOW HE REALLY IS GOING TO CLOSE IT, THEN?

7 BOARD MEMBER VARNER: YEAH. AND OUR JOB IS TO, AS  
8 NEARLY AS POSSIBLE, TO MAKE SURE THAT THE MONEY IS GOING  
9 TO BE THERE WHEN IT'S SUPPOSED TO BE. THANK YOU.

10 CHAIRMAN BEAUTROW: THANK YOU, MR. MAGEE. WE HAVE  
11 TWO MORE -- EXCUSE ME, WE HAVE TWO MORE REQUESTS TO  
12 SPEAK; BUT THE YOUNG LADY WITH THE FLYING FINGERS THERE  
13 HAS BEEN VERY PERSEVERING. SO I JUST WANT TO TELL YOU  
14 WE'LL BREAK AT 12 O'CLOCK AND GO TO LUNCH FROM -- THAT'S  
15 TEN MINUTES FROM TWELVE TO ONE.

16 SO WE'LL GET ON WITH MR. DAVID PELSER FROM THE  
17 CITY OF SACRAMENTO.

18 MR. PELSER: MR. CHAIRMAN, MEMBERS OF THE BOARD.  
19 MY NAME IS DAVID PELSER. I'M THE SOLID WASTE DIVISION  
20 MANAGER FOR THE CITY OF SACRAMENTO.

21 COUPLE OF THINGS CAME TO MIND THIS MORNING AS  
22 I LISTENED TO THE COMMENTS BEING MADE. ONE IS I WOULD  
23 CERTAINLY HOPE THAT THESE GUIDELINES ARE VIEWED AS JUST  
24 THAT, AND THAT THERE IS SOME ROOM FOR EXERCISING  
25 PROFESSIONAL JUDGMENT AND APPLYING THEM TO ANY PARTICULAR



1 CASE THAT HAPPENS TO COME UP. I THINK IT'S AN EXTREMELY  
2 DIFFICULT TASK, IF NOT IMPOSSIBLE, TO ADOPT GUIDELINES TO  
3 DEVELOP AND ADOPT GUIDELINES THAT WILL MEET EVERY SINGLE  
4 SITUATION IN THE STATE.

5 A COUPLE OF SPECIFIC ITEMS THAT I NOTICED THIS  
6 MORNING, ONE, CONCERNING THE POSTCLOSURE MAINTENANCE  
7 COSTS. THE WORKSHEET PROVIDES FOR THE ANNUAL COSTS OF  
8 POSTCLOSURE MAINTENANCE TO BE THE SAME OVER A 15-YEAR  
9 PERIOD AND MULTIPLIED BY 15. I DON'T THINK THAT'S  
10 NECESSARILY THE CASE.

11 I WOULD SUSPECT THAT IN THE CITY OF SACRAMENTO  
12 LANDFILL, THERE WILL BE SOME COSTS THAT WILL START OUT  
13 HIGHER AND GRADUALLY DECREASE OVER THE 15- OR 30-YEAR OR  
14 WHATEVER THE PERIOD IS THAT WE'RE ADDRESSING THE  
15 POSTCLOSURE MAINTENANCE TIME. THERE WILL ALSO BE SOME  
16 COSTS THAT I SUSPECT WILL BE FIXED COSTS AT CERTAIN  
17 POINTS IN TIME THROUGHOUT THAT 15- OR 30-YEAR POSTCLOSURE  
18 MAINTENANCE PERIOD.

19 EXAMPLES MIGHT BE PROJECTING THE PRODUCTION OF  
20 LANDFILL GAS AND LEACHATE, AND IDENTIFYING THE COST OF  
21 FACILITIES MIGHT HAVE TO BE ADDED TO ACCOMMODATE THOSE.  
22 ANOTHER EXAMPLE MIGHT BE DIFFERENTIAL SETTLEMENT AND THE  
23 GRADING COSTS ASSOCIATED WITH THAT MIGHT DECREASE OVER  
24 TIME.

25 ONE OTHER ITEM I WANTED TO MENTION. THIS IS



1 AN OFFER TO YOUR STAFF. I CERTAINLY DON'T THINK THE CITY  
2 OF SACRAMENTO LANDFILL IS TYPICAL OF ALL LANDFILLS IN THE  
3 STATE; BUT, NEVERTHELESS, WE ARE RATHER CONVENIENT, AND  
4 IT MIGHT BE A USEFUL EXERCISE FOR YOUR STAFF AND FOR US  
5 TO GET TOGETHER SOME AFTERNOON IN THE FUTURE AND JUST  
6 TALK THROUGH THE WORKSHEETS CURRENTLY PREPARED USING OUR  
7 LANDFILL AS AN EXAMPLE.

8 SINCE WE ARE IN THE MIDST OF THE CLOSURE  
9 ACTIVITIES, WE HAVE AN APPROVED CLOSURE PLAN APPROVED BY  
10 THE REGIONAL WATER QUALITY CONTROL BOARD, AND IT SEEMS  
11 THAT WE ARE IN A SITUATION WHERE MUCH NEEDED INFORMATION  
12 IS READILY AVAILABLE AND COULD BE APPLIED, AT LEAST FROM  
13 A DISCUSSION STANDPOINT, TO THE WORKSHEETS THAT ARE BEING  
14 DEVELOPED. SO IF YOU WOULD LIKE TO CONTACT ME LATER ON,  
15 WE MIGHT BE ABLE TO WORK SOMETHING OUT.

16 CHAIRMAN BEAUTROW: WE ACCEPT YOUR OFFER.

17 BOARD MEMBER GALLAGHER: SOUNDS PRETTY PRUDENT.

18 CHAIRMAN BEAUTROW: THANK YOU. ONE LAST SPEAKER;  
19 AND IF THERE'S ANYBODY ELSE WHO WANTS TO SPEAK, PLEASE  
20 FILL OUT A CARD.

21 ROBERT A. NELSON FROM RIVERSIDE COUNTY.

22 I'D LIKE TO SPEAK JUST BEFORE YOU SPEAK, MR.  
23 NELSON. THE LAST -- THE FIRST POINT THAT THE LAST  
24 GENTLEMAN MADE HAD TO DO WITH THAT MULTIPLYING BY 15  
25 YEARS, AND HE'S SUGGESTING THAT -- OURS IS AN ARITHMETIC



1 APPROACH. YOU TAKE THE TOTAL CONTINGENCIES AND MULTIPLY  
2 BY 15. YOU MIGHT BE THINKING IF THERE'S ANY OTHER WAY TO  
3 HANDLE THAT. I MEAN, IT'S JUST A HUGE NUMBER, AND HE  
4 CERTAINLY HAS A POINT IN REALITY, PROBABLY BE AVERAGED OR  
5 REDUCED SOMEWHAT.

6 MR. ORR: FOR THESE INITIAL GUIDELINES, I THINK THE  
7 ARITHMETIC APPROACH IS PROBABLY THE MOST REASONABLE.

8 CHAIRMAN BEAUTROW: ROUGH CUT, AT THIS POINT.

9 MR. ORR: I THINK THAT IS SOMETHING THAT WILL BE  
10 FLUSHED OUT IN THE PLANS.

11 CHAIRMAN BEAUTROW: OKAY. MR. NELSON.

12 MR. NELSON: THANK YOU, MR. CHAIRMAN. I'M BOB  
13 NELSON, DIRECTOR OF WASTE MANAGEMENT DEPARTMENT FOR  
14 RIVERSIDE COUNTY. I WANT TO THANK YOU AND YOUR STAFF FOR  
15 THE OPPORTUNITY TO SPEAK ON THE PROPOSED GUIDELINES. OUR  
16 STAFF AND MYSELF FEEL THAT THE GUIDELINES ARE QUITE WELL  
17 DRAFTED AS THEY EXIST. WE LIKE THE -- IN ESSENCE, THE  
18 COOKBOOK APPROACH WHICH, AT THIS POINT IN TIME,  
19 REALISTICALLY, IS MORE OR LESS, I THINK, A REASONABLE  
20 APPROACH TO TAKE ON THESE FIRST ESTIMATES.

21 BEFORE WE GET THE DESIGNS COMPLETED, IT'S  
22 GOING TO BE VERY DIFFICULT TO DO MUCH BETTER THAN ALREADY  
23 HAS BEEN SET BEFORE US IN THIS DRAFT GUIDELINE. AS WE  
24 GET FINAL PLANS, OF COURSE, THOSE ESTIMATES WILL CHANGE.  
25 SO I THINK SO LONG AS THE GUIDELINES ARE TREATED AS THAT,



1 JUST GUIDELINES, THAT THAT'S A GOOD START WHERE WE'RE AT.

2 SOME POINTS HAVE COME UP THIS MORNING THAT I  
3 WOULD LIKE TO, AT LEAST, RESPOND TO. ONE, WAS A POSSIBLE  
4 DISCUSSION OF A GIANT POT CONCEPT. ONE OF THE SPEAKERS  
5 MENTIONED A GROUP FUND VERSUS A LOCAL FUND, AND I THINK  
6 OUR COUNTY WOULD BE STRONGLY AGAINST SUCH A PROPOSAL. WE  
7 FEEL, I THINK, LIKE THE GENTLEMAN FROM SAN DIEGO, THAT  
8 THOSE WHO HAVE NOT PROPERLY SET ASIDE FOR THESE KINDS OF  
9 THINGS, WHICH ACTUALLY MOST OF US HAVE NOT DONE THAT, BUT  
10 SOME HAVE BEEN STARTING AND OTHERS MAY NOT HAVE YET  
11 STARTED, BUT IF YOU HAVEN'T, YOU NEED TO TAKE THAT ON AS  
12 A LOCAL RESPONSIBILITY, NOT RELY ON OTHERS WHO PERHAPS  
13 HAVE ALREADY DONE THAT TO SOLVE THE PROBLEM. THE CLOSURE  
14 PROBLEMS, THE LANDFILL PROBLEMS, ARE DIFFERENT IN ALL  
15 DIFFERENT PARTS OF THE STATE, AND WE FEEL THAT THE COSTS  
16 SHOULD BE RELATED TO OUR OWN INDIVIDUAL PROBLEMS RATHER  
17 THAN NECESSARILY SHARING THOSE COSTS ALL OVER THE STATE.

18 ANOTHER POINT I WOULD LIKE TO TALK TO YOU  
19 ABOUT IS THE GROUP FUND WITHIN AN AGENCY AS OPPOSED TO  
20 INDIVIDUAL SITE FUNDS, AND CERTAINLY OUR INTENT HAS BEEN  
21 TO TREAT IT AS AN AGENCY-TYPE FUND THAT WE'RE DEVELOPING.  
22 WE OPERATE A TOTAL OF 13 LANDFILLS IN OUR AREA, ONE OF  
23 WHICH IS A PRIVATE/PUBLIC RELATIONSHIP, AND THE OTHER 12  
24 ARE ALL COUNTY OWNED AND OPERATED.

25 AND OUR APPROACH TO THIS HAS BEEN TO ADOPT A



1 TIPPING FEE, WHICH STARTED ACTUALLY TEN DAYS AGO, OF  
2 \$1.40 A TON. THAT IS NOW GOING INTO A FUND FOR OUR  
3 CLOSURE COSTS. WE HAD A SMALL FEE FOR A COUPLE OF YEARS,  
4 BUT THAT WAS RECENTLY INCREASED TO THIS DOLLAR AND FORTY  
5 CENTS.

6 WE HAVE THE CASH FLOW PROBLEMS IN OPERATING  
7 AMONGST OUR 12; BUT IF WE HAD TO DO IT ON AN INDIVIDUAL  
8 SITE BASIS, IT WOULD BE AN ASTRONOMICAL PROBLEM FOR US TO  
9 TRY TO HANDLE. FOR EXAMPLE, WE'RE ALREADY IN CLOSURE  
10 PROCESS ON ONE LANDFILL, AND THE COSTS OF DOING THAT HAVE  
11 BEEN ACCUMULATED FROM ALL OF OUR LANDFILLS IN ORDER TO  
12 COVER THOSE COSTS, SOMETHING ON THE ORDER OF \$2 MILLION.  
13 WE HAVE ANOTHER LANDFILL THAT WE'RE IN FINAL DESIGN AND  
14 WILL BE UNDER CLOSURE NEXT SPRING ON. ANOTHER ONE THAT  
15 WE ARE JUST BEGINNING DESIGN ON AND WILL PROBABLY,  
16 HOPEFULLY, BE UNDERWAY BY THE SUMMER, NEXT YEAR. AND  
17 THEN A FOURTH ONE WHICH WILL PROBABLY UNDERGO CLOSURE ON  
18 THE ORDER OF MAGNITUDE OF TWO YEARS FROM NOW.

19 SO WE HAVE A TREMENDOUS FRONT-LOADED COST  
20 BURDEN TO SHARE. ONCE WE GET BEYOND THOSE FOUR, WE THEN  
21 HAVE A GAP IN A FEW YEARS THAT WE DON'T NECESSARILY HAVE  
22 CLOSURE COSTS UNLESS WE PROCEED IN AN INCREMENTAL BASIS  
23 ON SOME OF OUR PLANS. SO IN SPITE OF OUR FRONT-END  
24 PROBLEM, WE FEEL THAT WE'VE GOT IT UNDER CONTROL WITH THE  
25 FEE INCREASE THAT WE'VE JUST ADOPTED AND CAN, AT LEAST,



1 SO FAR AS WE CURRENTLY KNOW COSTS, CAN PROCEED IN A  
2 REASONABLE MANNER TO GET THOSE SITES CLOSED.

3 ONE OTHER POINT, THE CONTINGENCY HAS BEEN  
4 BROUGHT UP. AND IT'S BEEN MY EXPERIENCE OVER A NUMBER OF  
5 YEARS IN THE ENGINEERING FIELD THAT A 10- TO 15-PERCENT  
6 CONTINGENCY IS COMMONLY ADDED TO CONSTRUCTION ESTIMATES,  
7 AND THOSE ARE TYPICALLY IN AREAS WHERE YOU KNOW THE  
8 DESIGN PARAMETERS AND COST PARAMETERS MUCH CLEARER THAN  
9 WE DO IN THIS FIELD AND IN THIS SUBJECT. SO I HAVE NO  
10 QUARREL AT ALL WITH THE PROPOSED 20 PERCENT. I WOULD NOT  
11 LIKE TO SEE IT GO MUCH HIGHER THAN THAT. I DON'T THINK  
12 IT WOULD MAKE GOOD ENGINEERING JUDGMENT TO GO LOWER THAN  
13 15 PERCENT, SO THAT'S MY SENSE OF JUDGMENT ON THAT ISSUE.

14 CHAIRMAN BEAUTROW: MR. GALLAGHER WOULD LIKE TO  
15 COMMENT ON THAT.

16 BOARD MEMBER GALLAGHER: I WOULD JUST LIKE TO ASK A  
17 QUESTION OF YOU. ONE LANDFILL WAS CLOSED IN RIVERSIDE  
18 COUNTY, I BELIEVE, LAST YEAR, RIGHT OFF 215 --

19 MR. NELSON: THAT IS STILL UNDERWAY.

20 BOARD MEMBER GALLAGHER: AND IT WAS OPERATED AND  
21 OWNED, I BELIEVE, BY A PRIVATE OPERATOR, AND I WOULDN'T  
22 CARE TO DISCUSS THAT INDIVIDUAL, BUT IS THERE ANYTHING IN  
23 YOUR CONTINGENCY PLANS NOW TO SET ASIDE MONEY FOR  
24 POSTCLOSURE MAINTENANCE OF THAT SITE?

25 MR. NELSON: YES. OUR FEE IS INTENDED TO COVER



1 BOTH CLOSURE AND POSTCLOSURE ON ALL OF OUR SITES, AS BEST  
2 WE CAN CURRENTLY JUDGE IT. WHEN WE SET THE FEE, WE'LL  
3 LOOK AT THAT EVERY YEAR AND MAY HAVE TO ADJUST IT.

4 BOARD MEMBER GALLAGHER: THAT ISN'T GOING TO BE SET  
5 OUT BY ITSELF THEN. THAT WILL BE INCLUDED IN YOUR TOTAL  
6 PLAN?

7 MR. NELSON: THAT'S CORRECT.

8 BOARD MEMBER GALLAGHER: THANK YOU.

9 MR. NELSON: I'VE ALREADY MENTIONED THE SINGLE FUND  
10 APPROACH. THE ONLY EXCEPTION TO THAT IN OUR COUNTY IS  
11 THE SITUATION WHERE WE DO HAVE ONE SITE THAT WAS  
12 PRIVATELY DEVELOPED IN COOPERATION WITH THE COUNTY, AND  
13 THERE WE HAVE, THROUGH OUR CONTRACTUAL ARRANGEMENTS WITH  
14 THAT PRIVATE DEVELOPER, AGREED TO SET ASIDE A SEPARATE  
15 CLOSURE FUND AS PART OF OUR TIPPING FEE PROCESS.

16 SO THERE IS A SEPARATE FUND FOR THAT SINGLE  
17 SITE, AND THERE HAS BEEN INCREMENTAL CLOSURE COSTS  
18 ALREADY INCURRED AND ALREADY PAID FOR OUT OF THAT FUND.  
19 AS WE GO ALONG, THOSE THINGS THAT CAN AND REALLY COULD  
20 AND SHOULD BE DONE ALONG THE WAY, TO THE EXTENT THAT THAT  
21 FUND WILL COVER IT, WE'RE REIMBURSING FOR THOSE COSTS  
22 ALREADY.

23 THAT DEVELOPER, INCIDENTALLY, HAS ALREADY  
24 EXPENDED MORE THAN THE FUND HAS GENERATED AND WOULD LIKE  
25 FOR US TO DIP INTO OUR OTHER FUNDS, BUT WE'RE HOLDING HIM



1 TO THE LINE OF USING WHATEVER COMES INTO THAT FUND, AND  
2 THEN WE WILL REIMBURSE FOR THOSE COSTS.

3 SO WE DO HAVE THAT ONE SINGLE SITE FUND, BUT  
4 WE HAD THE ADVANTAGE THERE, OF COURSE, OF GETTING IT  
5 DEVELOPED WAY UP FRONT WHEN ESSENTIALLY THE LANDFILL WAS  
6 FIRST STARTED. IF IT WAS NEAR ITS CLOSURE TIME, WHY, OF  
7 COURSE, THIS WOULD BE MUCH MORE DIFFICULT TO UTILIZE IT  
8 THAT WAY.

9 I THINK THAT'S THE THRUST OF WHAT I WOULD LIKE  
10 TO COMMENT TO YOU. IF YOU HAVE ANY QUESTIONS, I'D BE  
11 HAPPY TO ANSWER.

12 CHAIRMAN BEAUTROW: ANY OTHER QUESTIONS? ALL  
13 RIGHT. THANK YOU, MR. NELSON. THANK ALL OF YOU WHO DID  
14 SPEAK AND OFFER SUGGESTIONS, AND THESE WILL BE  
15 CONSIDERED. AND I'D LIKE TO CLOSE THIS PARTICULAR ITEM  
16 AFTER LUNCH, AND WE'LL COME BACK THEN AT FIVE AFTER ONE.

17

18 (A LUNCH BREAK WAS TAKEN.)

19

20

21

22

23

24

25



1 AFTERNOON SESSION, AUGUST 10, 1988

2  
3 CHAIRMAN BEAUTROW: WE'LL CONTINUE WHERE WE LEFT  
4 OFF THIS MORNING WITH ITEM 1.

5 I'M SORRY. THE OTHER BOARD MEMBERS ARE OFF ON  
6 VARIOUS OTHER RESCUE MISSIONS AND SHOULD BE BACK SHORTLY,  
7 BUT WE'D BETTER PROCEED AND CONTINUE WITH ITEM NO. 1.

8 THERE WAS A GENTLEMAN, MARTIN HAUSLADEN, THAT  
9 ASKED TO SPEAK, AND WAS THIS ON THE -- OH, AFTER SHE  
10 FINISHES. OKAY, CAREN.

11 MS. TRGOVCICH: GOOD AFTERNOON, BOARD MEMBERS. MY  
12 NAME IS CAREN TRGOVCICH FOR THE RECORD. WHAT I'M GOING  
13 TO DO IS I'M GOING TO CONTINUE WITH THE NEXT SECTION OF  
14 THE GUIDELINES, WHICH IS PART 3, AND I'M GOING TO  
15 REFERENCE BOTH PAGES FOR THE BENEFIT OF THE AUDIENCE AND  
16 THE BENEFIT OF THE BOARD MEMBERS.

17 FOR THE BOARD MEMBERS, PART 3 BEGINS ON PAGE  
18 34 OF YOUR PACKET. MEMBERS OF THE AUDIENCE, PART 3  
19 BEGINS ON PAGE 28 OF THE GUIDELINES.

20 WHAT I PLAN TO DO IS JUST TO RUN THROUGH THE  
21 DOCUMENT RIGHT NOW SUMMARIZING THE CHANGES THAT WE HAVE,  
22 ONE, EITHER MADE TO THE DOCUMENT SINCE ITS LAST  
23 PRESENTATION TO YOU OR, TWO, CHANGES THAT ARE A RESULT OF  
24 COMMENTS RECEIVED DURING THE PAST MONTH FOR THE BOARD'S  
25 CONSIDERATION.



1 I'M GOING TO BEGIN NOW ON PAGE 35 OF THE  
2 BOARD'S PACKET OR 29 OF THE AUDIENCE PACKET, AND THE  
3 FIRST ISSUE THAT I'M GOING TO DISCUSS THAT WE HAVE  
4 CHANGED IS UNDER "AVAILABLE MECHANISMS, PRIVATE AND  
5 PUBLIC."

6 ADDITIONAL WORDING WAS ADDED HERE IN ORDER TO  
7 FURTHER DISTINGUISH BETWEEN THE EMPHASIS OF THIS DOCUMENT  
8 AS A GUIDELINE ONLY VERSUS THE NEED FOR THE DEVELOPMENT  
9 OF REGULATION. WE'VE HEARD A LOT OF CONCERN EXPRESSED  
10 THIS MORNING THAT WE NEED TO REMEMBER THAT THESE ARE  
11 GUIDELINES ONLY, AND STAFF HAS TRIED TO PUT THAT IN  
12 PERSPECTIVE IN THIS DOCUMENT.

13 WHAT WE'VE TRIED TO DO HERE IS TO STATE, VERY  
14 EXPLICITLY, THAT FOR THE PURPOSE OF THE GUIDELINES, THE  
15 FOLLOWING CRITERIA OR THE FOLLOWING MECHANISMS MAY BE  
16 ALLOWED, BUT THAT WE WILL BE UNDERTAKING FURTHER STUDY IN  
17 THE COMING MONTHS UP UNTIL THE TIME OF PROMULGATION OF  
18 THE REGULATIONS, AND THAT THE OPERATORS AND LEA'S AND  
19 OTHER INTERESTED PARTIES SHOULD EXPECT THAT THERE WILL BE  
20 CHANGES MADE TO THIS DOCUMENT AS A RESULT OF THE FURTHER  
21 STUDY. THESE GUIDELINES ARE INTENDED FOR THE REGULATED  
22 COMMUNITY AS A SERVICE BECAUSE WE WANT TO BE ABLE TO  
23 ASSIST THEM IN MAKING THOSE JANUARY 1 CERTIFICATIONS.

24 HOWEVER, BECAUSE OF THE LIMITED AMOUNT OF TIME  
25 REMAINING PRIOR TO JANUARY 1, RIGHT NOW WE ARE NOT GOING



1 TO BE ABLE TO PUT OUR FULL EFFORT IN TERMS OF EXPERTISE  
2 AND TIME AND CONSULT WITH OUTSIDE ENTITIES, SUCH AS  
3 CONSULTANTS OR OTHER GROUPS, TO BE ABLE TO DEVELOP THESE  
4 GUIDELINES SUCH THAT THEY WOULD BE ACCEPTABLE AS  
5 REGULATIONS. THERE IS AN ELEMENT HERE WHICH HAS NOT BEEN  
6 FULLY STUDIED, AND WE ARE READILY ADMITTING THAT RIGHT  
7 NOW. AND THAT'S WHAT THE ADDITIONAL WORDING UNDER  
8 AVAILABLE MECHANISMS IS INTENDED TO DO, TO LET THE  
9 REGULATED COMMUNITY KNOW THAT OF ALL THE MECHANISMS  
10 LISTED IN THIS NEXT PART, THEY MAY NOT ALL BE AVAILABLE  
11 UNDER REGULATIONS.

12 THE BOARD HAS EXPRESSED INTEREST IN LOOKING AT  
13 ALL OF THE MECHANISMS HERE, SOME WHICH MAY BE CONSIDERED  
14 TO BE PAPER GUARANTEES, OTHERS WHICH MAY SPECIFICALLY SET  
15 ASIDE FUNDS. THE BOARD HAS BEEN CONCERNED OVER THOSE  
16 METHODS WHICH SIMPLY ACT AS A GUARANTEE AND DON'T SET  
17 ASIDE THE FUNDS; AND, THEREFORE, THE REGULATED COMMUNITY  
18 SHOULD BE AWARE THAT, BASED UPON FURTHER STUDY WHICH WE  
19 ARE INTENDING TO DO IN THE COMING MONTHS LOOKING INTO  
20 THESE FINANCIAL MECHANISMS, THAT IT MAY COME OUT THAT IN  
21 REGULATION SOME OF THESE MECHANISMS MAY NOT BE  
22 APPLICABLE. THE BOARD MAY NOT WISH TO PURSUE SOME OF  
23 THESE MECHANISMS, IN WHICH CASE, THE CERTIFICATIONS WHICH  
24 WOULD BE MADE ON JANUARY 1, THEY WOULD NEED TO BE MADE  
25 WITH THE UNDERSTANDING THAT THERE ARE CERTAIN MECHANISMS



1 THAT ARE PREFERRED MECHANISMS, MECHANISMS WHICH SET ASIDE  
2 CAPITAL AND, THUS, ARE MORE READILY ACCEPTABLE, AND THEN  
3 THERE ARE MECHANISMS WHICH, BASED UPON STUDY, IF A  
4 FACILITY CHOOSES TO ADOPT THESE MECHANISMS, THEY MAY NEED  
5 TO RECONSIDER THEIR POSITION AT A LATER DATE.

6 WE ARE NOT TRYING TO MAKE THINGS OVERLY  
7 COMPLICATED, BUT WE'RE TRYING TO PROVIDE THE WIDEST  
8 POSSIBLE RANGE OF OPTIONS TO THE REGULATED COMMUNITY,  
9 GRANTED THAT WE HAVEN'T BEEN ABLE TO CONDUCT THE PROPER  
10 STUDY, AND THIS IS MERELY AS ASSISTANCE TO THE OPERATOR  
11 SO THEY ARE AWARE OF WHAT THE OPTIONS ARE, BUT SO THAT  
12 THEY ALSO KNOW THAT FURTHER STUDY AND BOARD DIRECTION MAY  
13 ELIMINATE THE USE OF SOME OF THOSE MECHANISMS.

14 THE NEXT COMMENT IS GOING TO BE ON PAGE 34 OF  
15 YOUR -- PAGE 36 OF YOUR PACKET AND PAGE 30 OF THE  
16 AUDIENCE PACKET, AND THAT IS ON THE TRUST FUND. AND THE  
17 CHANGES ARE NOT IN THE DOCUMENT HERE, BUT I'M GOING TO  
18 SUMMARIZE THEM FOR YOU IN TERMS OF COMMENTS THAT WE'VE  
19 RECEIVED.

20 THE COMMENTS THAT STAFF HAS RECEIVED AT THE  
21 LAST BOARD MEETING IS THAT THE MECHANISM AS IT'S STATED  
22 IN THE DOCUMENT RELATES TO TRUSTS HELD BY FINANCIAL  
23 INSTITUTIONS, AND THAT SEVERAL INDIVIDUALS COMMENTING  
24 REQUESTED THAT TRUSTS ALSO BE ALLOWED FOR COMPANIES AND  
25 THAT THEY BE HELD PRIVATELY, RATHER THAN WITH A FINANCIAL



1 INSTITUTION. THERE WAS A GENTLEMAN HERE WHO TESTIFIED  
2 THAT HE IS RESPONSIBLE FOR HIS COMPANY'S PENSION FUND AND  
3 WHICH THEY OPERATE MORE OR LESS ON AN IN-HOUSE BASIS, AND  
4 THAT THEY WISH THE OPPORTUNITY TO DEVELOP A TRUST FUND  
5 ALONG THAT SAME LINE.

6 WHAT WE HAVE PUT OR ARE PUTTING BEFORE YOU  
7 TODAY IS THAT WE INCLUDE SUCH A MECHANISM; HOWEVER, WITH  
8 THE PROVISION THAT IF A FACILITY, IF AN OPERATOR DECIDES  
9 THAT THEY WANT TO DEVELOP A PRIVATELY HELD FUND, THAT  
10 THE -- AN AUTHORIZED REPRESENTATIVE OF THE BOARD BE  
11 REQUIRED TO COSIGN ANY WITHDRAWAL FROM THAT FUND. THIS  
12 IS IN ORDER TO ELIMINATE WHAT I WOULD TERM THE ONE-SIDED  
13 ASPECT OF A PRIVATELY HELD TRUST FUND, SUCH THAT IT'S THE  
14 COMPANY THAT PUTS THE MONEY INTO IT, THE COMPANY THAT'S  
15 RESPONSIBLE FOR IT, AND THE COMPANY THAT COULD,  
16 THEREFORE, WITHDRAW THE MONEY AND YOU WOULD WANT TO MAKE  
17 SURE THAT THERE'S SOME OTHER CONTROLLING FEATURE. SO  
18 WHAT WE WOULD RECOMMEND IS THAT IT BE INCLUDED AS A  
19 MECHANISM, BUT WITH THE PROVISION THAT THE BOARD COSIGN  
20 ON ANY WITHDRAWAL, THAT THAT BE A MANDATORY PROVISION.

21 BOARD MEMBER BROWN: WOULD, THEN, THAT ALSO -- THAT  
22 SAME KIND OF THINKING FOLLOW ALONG IN THE SALE OF A  
23 COMPANY FROM ONE TO ANOTHER, A MERGER OF A COMPANY WHERE  
24 THOSE FUNDS WOULD SOMEWHAT BECOME OBSCURE IN THE SALE OR  
25 THE MERGER? WOULD WE HAVE SOME RESPONSIBILITY TO BE



1 INVOLVED THERE ALSO, WITH RESPECT TO CONTINUING TO  
2 IDENTIFY WHERE THOSE FUNDS WENT AS LONG AS WE HAD  
3 APPROVAL?

4 MS. TRGOVCICH: I'M ASSUMING THAT WE WOULD CONTINUE  
5 TO HAVE RESPONSIBILITY IN THAT AREA. I'M NOT EXACTLY  
6 SURE HOW THAT WOULD NEED TO BE WORDED IN TERMS OF  
7 LEGALITIES OF THE ISSUE. THE KIND OF RESPONSIBILITY THAT  
8 THE BOARD WOULD HAVE, THOSE FUNDS WOULD NEED TO BE  
9 SEPARATE AND DISTINCT SO THAT THEY WOULDN'T BE ABSORBED  
10 INTO THAT MERGER SALE OR WHATEVER THE ACTION IS THAT'S  
11 TAKING PLACE. I DON'T KNOW EXACTLY WHAT THAT WOULD BE.  
12 WE WILL LOOK INTO THAT. IT'S A VERY GOOD POINT. BUT FOR  
13 THE PURPOSE OF THIS INITIAL CERTIFICATION, WE WOULD STILL  
14 LIKE TO RECOMMEND THAT THAT BE INCLUDED.

15 CHAIRMAN BEAUTROW: IS THIS A REAL UNUSUAL APPROACH  
16 THAT'S BEEN SUGGESTED HERE? NOW, WE DIDN'T THINK UP ALL  
17 THESE MECHANISMS TOTALLY OURSELVES. WE LOOKED AT OTHER  
18 STATES, AGENCIES, AND WHAT'S BEEN DONE NATIONWIDE. HAVE  
19 YOU HEARD OF THIS ONE BEFORE?

20 MS. TRGOVCICH: THE MAJORITY OF STATES HAVE NOT IN  
21 THEIR REGULATIONS ALLOWED PRIVATELY HELD TRUSTS. SOME OF  
22 THEM DO, AND THAT'S WHERE WE GOT THE IDEA OF THE  
23 COSIGNING ASPECT, THAT WHERE THEY ARE ALLOWED, THAT THERE  
24 IS AN INVOLVEMENT ON THE PART OF THE REGULATORY AGENCY  
25 WHICH WOULD CONDITION THAT FUND OR PROHIBIT THE USE OF



1 THAT FUND WITHOUT THE AGENCY'S INVOLVEMENT. BUT ONCE.  
2 AGAIN, BY -- IF THE BOARD CHOOSES TO INCLUDE THIS IN THE  
3 GUIDELINES, IT WOULD BE JUST FOR THE PURPOSE OF THE  
4 GUIDELINES AND SOMETHING THAT WE WOULD STUDY IN THE  
5 COMING MONTHS FOR THE REGULATIONS.

6 THE NEXT COMMENT THAT WE RECEIVED WAS ON PAGE  
7 36 OF THE BOARD'S PACKET AND PAGE 30 OF THE AUDIENCE  
8 PACKET, AND THAT IS IN REGARDS TO THE CORPORATE  
9 GUARANTEE. AND THIS COMMENT RELATES TO BOTH CORPORATE  
10 GUARANTEE AND THE FINANCIAL MEANS TEST.

11 AND THE COMMENTS THAT WE RECEIVED WERE FROM  
12 THE PUBLIC SECTOR, AND WHAT THE PUBLIC SECTOR INDICATED  
13 WAS THAT THE CORPORATE GUARANTEE HERE SEEMS TO ALLOW A  
14 MECHANISM THAT CANNOT BE UTILIZED BY A PUBLIC ENTITY, AND  
15 THE COUNTIES DID NOT WANT TO SEE MECHANISMS OFFERED TO  
16 THE PRIVATE SECTOR THAT COULD NOT BE UTILIZED BY THE  
17 PUBLIC SECTOR AS WELL.

18 STAFF'S RESPONSE IN THIS AREA IS DIRECTED  
19 TOWARDS THE GRCDA PROPOSAL OF DEVELOPING A FINANCIAL  
20 MEANS TEST FOR THE PUBLIC SECTOR. AND WHAT WE WOULD  
21 LIKE -- HOW WE WOULD LIKE TO RESPOND TO THIS COMMENT IS  
22 THAT WHILE WE RECOGNIZE THAT THE CORPORATE GUARANTEE AND  
23 FINANCIAL MEANS TEST, AS THEY ARE CURRENTLY WRITTEN IN  
24 THE GUIDELINES, COULD NOT READILY BE UTILIZED BY THE  
25 PUBLIC SECTOR, THAT THE GRCDA IS COMMITTED TO COMING UP



1 WITH A PROPOSAL FOR A FINANCIAL MEANS TEST FOR THE PUBLIC  
2 SECTOR, AND THEY HAVE AN ANTICIPATED DEADLINE OF OCTOBER  
3 1ST TO SUBMIT IT TO THIS BOARD. IF THE BOARD APPROVES OF  
4 THAT PROPOSED MECHANISM, IT COULD BE INCLUDED AS AN  
5 ADDENDUM TO THE GUIDELINES AND THEN REVIEWED AND STUDIED  
6 IN TERMS OF INCORPORATION INTO THE REGULATIONS.

7 THE NEXT COMMENT CONTINUES ON PAGE 32 OF THE  
8 AUDIENCE PACKET AND PAGE 38 OF THE BOARD'S PACKET, AND  
9 THAT IS -- WHAT WE'RE GOING TO DO HERE IS SUGGEST ANOTHER  
10 MECHANISM THAT'S BEEN BROUGHT TO OUR ATTENTION SINCE THE  
11 LAST BOARD MEETING. AND IT'S NOT IN YOUR PACKET RIGHT  
12 NOW, BUT IT'S SOMETHING THAT I'D LIKE TO DESCRIBE FOR YOU  
13 FOR INCLUSION.

14 OUR BOARD STAFF HAS BECOME AWARE OF A  
15 MECHANISM CALLED A CERTIFICATE OF PARTICIPATION. IT'S  
16 BEEN UTILIZED BY MANY PUBLIC ENTITIES IN OTHER -- IN  
17 AREAS OTHER THAN SOLID WASTE. WHAT A CERTIFICATE OF  
18 PARTICIPATION IS, IT'S BASICALLY A LOAN WHICH THE COUNTY  
19 OR CITY WOULD PAY BACK IN INSTALLMENTS. WHAT THEY DO,  
20 FROM OUR UNDERSTANDING, IS THEY ISSUE CERTIFICATES WHICH  
21 ARE THEN UNDERWRITTEN AND SOLD TO INVESTORS.

22 THESE INVESTORS THEN BECOME MORE OR LESS  
23 OWNERS OF THE PROJECT, AND THEY ARE PAID BACK IN  
24 INSTALLMENTS BY THE CITY OR COUNTY. THE BENEFIT TO THE  
25 PUBLIC ENTITY OF A CERTIFICATE OF PARTICIPATION IS THAT



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1 IT DOES NOT REQUIRE VOTER APPROVAL, AND, IN MANY CASES,  
2 THE INTEREST EARNED IS TAX EXEMPT. NOW, WITH THE NEW TAX  
3 LAW, I CANNOT SAY FOR SURE IN THIS PROCEEDING HOW THAT  
4 WOULD AFFECT THE INTEREST IN TERMS OF THE CERTIFICATE OF  
5 PARTICIPATION, BUT IN THE PAST THAT'S BEEN ONE OF THE  
6 BENEFITS OF UTILIZING THIS METHOD OF FINANCING.

7 THE MECHANISM ITSELF IS NOT AS -- IS NOT THE  
8 SAME AS A GENERAL OBLIGATION BOND, WHICH WE HAVE TALKED  
9 ABOUT AT THE LAST MEETING, IN THE SENSE THAT WITH A  
10 GENERAL OBLIGATION BOND, YOU HAVE TO GO FOR VOTER  
11 APPROVAL AND THE COUNTY OR CITY PLEDGES ITS FULL-FAITH  
12 EFFORT TO REPAY THAT LOAN. IN THE INSTANCE OF A  
13 CERTIFICATE OF PARTICIPATION, THERE IS NO PLEDGE, NO  
14 COUNTY BACKING IN THAT SENSE SO THAT THE INTEREST  
15 GENERALLY TENDS TO BE HIGHER BECAUSE OF THE LACK OF THE  
16 BACKING OF THE COUNTY. AND THE REPAYMENT IN TERMS OF IF  
17 THE CITY OR COUNTY WERE NOT TO REPAY, THERE ISN'T THE  
18 ADDED INCENTIVE WITH THE GENERAL OBLIGATION BOND THAT  
19 TAXES WOULD THEN BE RAISED TO COVER THAT DEBT.

20 IN ADDITION, THE CERTIFICATE OF PARTICIPATION,  
21 FROM WHAT WE CAN UNDERSTAND, DOES NOT ADD TO THE  
22 INDEBTEDNESS OF THE CITY OR COUNTY. IT'S -- I THINK THEY  
23 CALL IT OFF-BALANCE SHEET FINANCING, AND SO IT WOULD NOT  
24 ADD TO THE DEBT OF THE CITY OR COUNTY. THAT'S THE  
25 INFORMATION THAT WE CURRENTLY HAVE AVAILABLE.



1                   WHAT WE WOULD RECOMMEND AT THIS TIME IS THAT  
2 THE MECHANISM, BECAUSE IT DOES EXIST, BE ALLOWED IN TERMS  
3 OF THE GUIDELINES, BUT THAT IT BE INCLUDED FOR STUDY IN  
4 THE COMING MONTHS IN THE REGULATION DEVELOPMENT PHASE.  
5 ONE OF THE DOWNFALLS OF THE CERTIFICATE OF PARTICIPATION,  
6 IN FACT, IS THAT IF THE INTEREST IS TAX EXEMPT AND,  
7 DEPENDING ON OTHER LIMITATIONS OF THE CERTIFICATES, THE  
8 COUNTIES MAY ONLY BE ABLE TO UTILIZE THIS MONEY WITHIN A  
9 VERY SHORT PERIOD OF TIME. THUS, IT MAY NOT BE AVAILABLE  
10 FOR FACILITIES THAT HAVE AN ANTICIPATED LIFE OF GREATER  
11 THAN, LET'S SAY, FIVE YEARS, FOR EXAMPLE. MANY OF THESE  
12 TYPES OF MECHANISMS HAVE A LIMITATION OF TIME FRAME IN  
13 WHICH THE MONEY HAS TO BE UTILIZED.

14                   BOARD MEMBER BROWN: THAT TOUCHES ON THE COMMENT I  
15 WAS GOING TO MAKE, AND THAT WAS -- I THINK, FIRST OF ALL,  
16 WE SHOULD INCLUDE IT AS A TOOL; HOWEVER, IT PROBABLY HAS  
17 LIMITED USE IN THAT IT WOULD GENERATE FUNDS IMMEDIATELY  
18 FOR THE SITE THAT NEEDED TO BE CLOSED IMMEDIATELY. IF  
19 YOU ARE TALKING ABOUT A TEN-YEAR ISSUE TO CLOSE A  
20 TEN-YEAR SITE THAT HAS TEN YEARS TO GO, YOU ARE EITHER  
21 MAKING PAYMENTS OVER TEN YEARS TO THE BOND HOLDERS OR YOU  
22 ARE MAKING PAYMENTS TO YOUR ENTERPRISE FUND TO CLOSE THE  
23 SITE. BUT, AGAIN, AS A TOOL, IT MAY SHOW SOME PROMISE  
24 FOR THOSE WHO HAVE THE PROBLEM OF CLOSING A SITE  
25 TOMORROW.



1 MS. TRGOVCICH: THE NEXT COMMENT THAT WE RECEIVED  
2 WAS IN TERMS OF SURETY BONDS, AND THAT IS ON PAGE 39 OF  
3 THE BOARD'S PACKET AND 33 OF THE AUDIENCE PACKET, AND  
4 MAYBE I PHRASED THAT WRONG. THESE ARE COMMENTS WE DIDN'T  
5 RECEIVE. WE WANTED TO NOTE AND PUT IT INTO THE RECORD;  
6 AND UNLESS A MEMBER OF THE AUDIENCE IS GOING TO COMMENT  
7 ON THIS LATER, THAT WE DID NOT RECEIVE ANY COMMENTS ON  
8 THE LIMITATION IN TERMS OF THE SURETIES, THERE WERE NO  
9 COMMENTS RECEIVED.

10 BOARD MEMBER BEAUTROW: YOU KEEP GIVING US PAGE  
11 REFERENCE. I'VE GOT SURETY BONDS ON PAGE 40(E). ARE WE  
12 TALKING ABOUT TWO SEPARATE --

13 MS. TRGOVCICH: OKAY. WE MAY HAVE TWO DIFFERENT  
14 VERSIONS.

15 CHAIRMAN BEAUTROW: PREVIOUSLY, WHEN YOU TALKED  
16 ABOUT THAT CORPORATE GUARANTEE, IT WAS ON ANOTHER PAGE,  
17 TOO.

18 MS. TRGOVCICH: WAS IT ON THE PREVIOUS PAGE?

19 CHAIRMAN BEAUTROW: WELL, IT WAS ON PAGE 38. I  
20 HAVE IT ON PAGE 40(E). WHAT HAVE WE GOT, THREE DIFFERENT  
21 VERSIONS?

22 MS. TRGOVCICH: WE MAY HAVE THAT.

23 CHAIRMAN BEAUTROW: ANYWAY, SURETY BONDS --

24 MS. TRGOVCICH: THIS COMMENT IS JUST TO BE ABLE TO  
25 PUT IT INTO THE RECORD THAT WE DID NOT RECEIVE ANY



1 COMMENTS ON THE LIMITATIONS AS FAR AS THE COMPANIES THAT  
2 ARE AVAILABLE. WE UTILIZED THE DEPARTMENT OF THE  
3 TREASURY CIRCULAR 570 AS THE LIMITATION, AND WE DID NOT  
4 RECEIVE ANY COMMENTS AS FAR AS THAT IS CONCERNED. AND WE  
5 JUST WANTED THAT TO GO INTO THE RECORD.

6 THE NEXT COMMENT IS ON THE FINANCIAL MEANS  
7 TEST, AND THAT WOULD BE ON PAGE 41 OF YOUR PACKET AND 35  
8 OF THE AUDIENCE PACKET. WE'D JUST LIKE TO MAKE A CHANGE  
9 TO THE DESCRIPTION, AND THAT WOULD BE THE LAST SENTENCE  
10 BEFORE THE ACTUAL TEXT OF THE TEST BEGINS.

11 IF YOU WOULD, UNDER ITEM J, THERE'S THE  
12 INITIAL PARAGRAPH BEGINNING "THE OPERATOR MAY SATISFY."  
13 THE LAST SENTENCE IN THAT SECTION CURRENTLY READS "IN  
14 ORDER TO PASS THIS TEST, THE OPERATOR SHALL MEET THE  
15 CRITERIA UNDER SUBSECTIONS (1) AND (2) AND SHALL SUBMIT  
16 THE INFORMATION UNDER SUBSECTION (3)." THAT WAS INTENDED  
17 TO READ "IN ORDER TO PASS THIS TEST, THE OPERATOR SHALL  
18 MEET THE CRITERIA UNDER SUBSECTIONS (1) OR (2)." THOSE  
19 WERE TO BE TWO SEPARATE ALTERNATIVES, IN WHICH CASE THE  
20 OPERATOR MAY UTILIZE EITHER ONE. SO WE WOULD LIKE TO  
21 MAKE THAT CHANGE FROM "AND" TO AN "OR."

22 THE NEXT COMMENT REGARDS THE ENTERPRISE FUNDS,  
23 AND THE ENTERPRISE FUNDS -- THE COMMENTS THAT WE RECEIVED  
24 IN THIS AREA SUGGESTED THAT THE ESTABLISHMENT OF THE  
25 ENTERPRISE FUND MAY VARY IN TERMS OF FORM AND PROCEDURE



1 FROM COUNTY TO COUNTY.

2 BOARD MEMBER BROWN: WHERE ARE WE NOW?

3 MS. TRGOVCICH: OKAY. I'M GOING BETWEEN THREE  
4 DOCUMENTS HERE. I'M ASSUMING IT IS PAGE 42 OF THE  
5 BOARD'S PACKET AND PAGE 36 OF THE AUDIENCE PACKET.

6 BOARD MEMBER BROWN: TRY IT THE OTHER WAY. YEAH,  
7 IT'S 36 OF THE BOARD PACKET AND MAYBE 40 ON THE OTHERS.  
8 I DON'T KNOW.

9 MS. TRGOVCICH: OKAY, 36 OF THE BOARD -- OKAY.

10 THIS IS UNDER THE DOCUMENTATION SECTION, SO  
11 THIS IS THE SECOND TIME THAT ENTERPRISE FUND WOULD HAVE  
12 BEEN DISCUSSED.

13 MR. IWAHIRO: 39.

14 CHAIRMAN BEAUTROW: 39(B).

15 MS. TRGOVCICH: OKAY. IT'S ON PAGE 39.

16 MR. IWAHIRO: AND 33 OF THE AUDIENCE PACKET.

17 CHAIRMAN BEAUTROW: WHY DO WE HAVE TWO DIFFERENT  
18 DICTIONARIES HERE?

19 MS. TRGOVCICH: I DON'T KNOW.

20 ATTORNEY CONHEIM: THE BOARD PACKET IS NUMBERED  
21 CONSECUTIVELY IN HANDWRITTEN NUMBERS.

22 CHAIRMAN BEAUTROW: AUDIENCE HAS A --

23 ATTORNEY CONHEIM: THE AUDIENCE HAS A VERSION THAT  
24 MAY OR MAY NOT BE THE SAME AS THE TYPEWRITTEN NUMBERS  
25 THAT YOU HAVE. YOU ALSO HAVE THE TYPEWRITTEN NUMBERS ON



1 YOURS.

2 MS. TRGOVCICH: OKAY. I'M GOING TO GO FROM THE  
3 CHIEF EXECUTIVE OFFICER'S PACKET, SO I'LL BE SURE TO GET  
4 THE RIGHT SECTIONS, NOW.

5 OKAY. WE ARE LOOKING RIGHT NOW -- LOOKING ON  
6 PAGE 39 OF THE BOARD'S PACKET AND 33 OF THE AUDIENCE --  
7 SHOULD BE, OKAY, FOLLOW ALONG. THIS IS THE SECTION ON  
8 "ENTERPRISE FUND" UNDER THE "DOCUMENTATION REQUIREMENT  
9 SECTION."

10 CHAIRMAN BEAUTROW: STARTS OUT READING,  
11 DOCUMENTATION IS TO --

12 MS. TRGOVCICH: STARTS OUT READING, "DOCUMENTATION  
13 IS TO INCLUDE THE ORIGINALLY SIGNED DUPLICATE." THE  
14 COMMENTS THAT WE RECEIVED, I'LL JUST SUMMARIZE AGAIN  
15 SINCE WE JUST WENT THROUGH THIS ISSUE OF PAGE NUMBERS.

16 BASICALLY, IT STATED THAT DIFFERENT COUNTIES  
17 MAY HAVE DIFFERENT MECHANISMS OF ESTABLISHING AN  
18 ENTERPRISE FUND, AND OUR LANGAGE NEEDS TO BE MORE  
19 FLEXIBLE TO ALLOW FOR THESE VARIOUS WAYS OF ESTABLISHING  
20 SUCH A FUND. STAFF WOULD PROPOSE TO CHANGE THAT FIRST  
21 SECTION -- THAT FIRST SENTENCE UNDER ENTERPRISE FUND TO  
22 "DOCUMENTATION OF THIS MECHANISM IS TO INCLUDE A COPY OF  
23 ALL OFFICIAL RESOLUTIONS, FORMS, LETTERS, OR OTHER  
24 PERTINENT DOCUMENTS GENERATED TO ESTABLISH THE ENTERPRISE  
25 FUND." STAFF FEELS THAT THIS WORDING MAY ALLOW -- WILL



1 ALLOW GREATER FLEXIBILITY ON THE PARTS OF THE COUNTIES IN  
2 TERMS OF THEIR METHOD FOR THE ESTABLISHMENT OF SUCH A  
3 FUND.

4 THE OTHER COMMENTS RECEIVED IN TERMS OF THE  
5 ENTERPRISE FUND WAS CAN AN ENTITY UTILIZE AN ENTERPRISE  
6 FUND TO COVER MORE THAN ONE FACILITY, AND I THINK THIS  
7 WAS TOUCHED ON SOMEWHAT EARLIER. WE'D JUST LIKE TO  
8 REITERATE THAT THERE IS NO DIFFICULTY IN UTILIZING ONE  
9 FUND TO COVER MORE THAN ONE LANDFILL, PROVIDED THAT EACH  
10 LANDFILL CONTRIBUTES ITS SHARE TO THAT FUND BASED UPON  
11 THE COST ESTIMATES, AND BASED UPON THE ANNUAL INCREMENTAL  
12 AMOUNT WHICH MUST BE DEPOSITED INTO THAT FUND.

13 I'D LIKE TO JUST NOTE, FOR THE RECORD, THAT  
14 THERE WERE NO COMMENTS RECEIVED ON THE NEW SECTION WHICH  
15 WAS INCLUDED ON THE MINIMUM AMOUNT OF FUNDS TO BE  
16 INCLUDED IN THE ACCOUNT AS OF JANUARY 1, 1989. THERE  
17 WERE NO COMMENTS RECEIVED ON THE BASIC FORMULA THAT WAS  
18 PROVIDED THERE.

19 I'D LIKE TO MOVE ON INTO A NUMBER OF ISSUES  
20 WHICH WE RECEIVED IN TERMS OF TELEPHONE AND WRITTEN  
21 COMMENTS REGARDING THIS SECTION OF THE GUIDELINES.  
22 THERE'S NO PARTICULAR ORDER HERE. THERE'S NO ORDER OF  
23 PRIORITY, JUST A MATTER OF THE ORDER IN WHICH THE  
24 COMMENTS CAME IN TO US.

25 THE FIRST ONE IS THE ISSUE OF FEDERAL AND



1 STATE FACILITY COMPLIANCE WITH THE CERTIFICATIONS THAT  
2 ARE REQUIRED ON JANUARY 1. THE ISSUE AROSE -- THE  
3 MAJORITY OF THE FACILITIES THAT WE RECEIVED TELEPHONE  
4 CALLS FROM WERE FEDERAL FACILITIES. WE DID RECEIVE CALLS  
5 FROM TWO STATE FACILITIES. ON THE FEDERAL END, WE  
6 RECEIVED CALLS FROM NAVAL BASES, FROM AIR FORCE BASES, WE  
7 RECEIVED CALLS FROM THE NASA GOLDSTONE RESEARCH CENTER  
8 WHO OPERATES A LANDFILL. SO THEY ARE READING THIS  
9 DOCUMENT, AND THEY HAD TWO POINTS -- OR REALLY TWO POINTS  
10 THAT THEY WANTED TO ADDRESS.

11 AND THE FIRST ONE WAS THAT BECAUSE OF THE  
12 NATURE OF THE FEDERAL GOVERNMENT, THAT THEY FELT THAT  
13 THEY WOULD BE UNABLE TO ESTABLISH A FUND TO CERTIFY TO  
14 THE BOARD ON JANUARY 1 THAT A FUND HAS BEEN ESTABLISHED  
15 FOR THE CLOSURE AND POSTCLOSURE MAINTENANCE OF THEIR  
16 LANDFILL.

17 STAFF HAS DONE RESEARCH INTO THIS AREA TO  
18 DETERMINE WHETHER OR NOT A FEDERAL FACILITY COULD EVEN  
19 ESTABLISH SUCH A FUND OR WHETHER OR NOT THIS REQUIREMENT  
20 WAS SOMETHING THAT NEEDED TO BE MANDATED BY CONGRESS.  
21 AND WHAT WE FOUND OUT IS THAT FEDERAL FACILITIES CAN  
22 ESTABLISH A SPECIAL ACCOUNT IN THE DEPARTMENT OF THE  
23 TREASURY IN THE FEDERAL GOVERNMENT, AND THIS SPECIAL  
24 ACCOUNT WOULD BE UTILIZED FOR WHATEVER PURPOSE IT WAS  
25 DESIGNATED FOR. FOR EXAMPLE, THERE IS CURRENTLY AN



1 ACCOUNT. I BELIEVE IT'S CALLED DERA WHICH HAS TO DO WITH  
2 THE CLEANUP OF HAZARDOUS WASTE SITES OR SUPER FUND SITES  
3 AT FEDERAL FACILITIES. MONEY IS PUT INTO THAT ACCOUNT  
4 FROM THE FEDERAL AGENCIES BUDGET, AND THEN IT IS  
5 SPECIFICALLY DESIGNATED FOR THAT PURPOSE AND CAN BE DRAWN  
6 UPON FOR THAT PURPOSE.

7 WHAT WE HAVE PROPOSED TO THE OFFICE OF THE  
8 MANAGEMENT AND BUDGET THAT OVERSEES THE BUDGETS OF ALL  
9 THE FEDERAL AGENCIES IS THAT THESE AGENCIES BE ALLOWED TO  
10 ESTABLISH A SEPARATE ACCOUNT WITH THE DEPARTMENT OF THE  
11 TREASURY THAT IS DESIGNATED FOR SOLID WASTE. WE WOULD  
12 NOT LIKE TO SEE THE INCLUSION OF THE SOLID WASTE CLOSURE  
13 AND POSTCLOSURE MAINTENANCE ACTIVITIES INTO THE ACCOUNT  
14 WITH THE HAZARDOUS AND SUPER FUND ACTIVITIES. WE WOULD  
15 FEEL THAT BECAUSE OF THE CURRENT PRIORITIES OF EPA, STATE  
16 DEPARTMENT OF HEALTH SERVICES, ETC. IF THERE WAS NO  
17 DELINEATION BETWEEN THE TWO POTS OF MONEY, THAT THE SOLID  
18 WASTE FACILITIES MAY NOT GET THEIR FAIR SHARE OF THAT  
19 MONEY.

20 THUS, WE HAVE SENT LETTERS TO OMB AND WE ARE  
21 AWAITING THEIR RESPONSE IN TERMS OF THE TIME FRAME AND  
22 METHOD IN WHICH THESE ACCOUNTS COULD BE ESTABLISHED, BUT  
23 THIS IS TO NOTIFY THE BOARD THAT IN ALMOST EVERY CASE THE  
24 FEDERAL FACILITIES IN THE SAME WAY MAY APPLY TO THE STATE  
25 FACILITIES. WE ARE CURRENTLY RESEARCHING THAT AS WELL



1 AND WILL, IN ALL LIKELIHOOD, NOT BE ABLE TO MEET THAT  
2 JANUARY 1 CERTIFICATION DEADLINE.

3 THE OTHER ISSUE THAT THEY RAISED, AND THIS  
4 PERHAPS BELONGS BACK IN THE COST ESTIMATE SECTION, BUT  
5 THAT IS THAT THE WAY THE MILITARY IS CURRENTLY SET UP ON  
6 THEIR BASES, THE PROFESSIONAL CERTIFICATIONS THAT ARE  
7 UTILIZED ARE GENERALLY -- IT'S GENERALLY THE BASE  
8 COMMANDER OR A CERTAIN RANK WHICH PROVIDES THESE  
9 PROFESSIONAL CERTIFICATIONS, AND THAT THEN THEY DON'T  
10 NECESSARILY REVIEW THE DOCUMENTS ENTIRELY NOR PREPARE THE  
11 DOCUMENTS THAT THEY ARE CERTIFYING.

12 AND THAT IS IN CONFLICT WITH OUR PROPOSED  
13 CERTIFICATION STATEMENTS, WHICH IS THAT THE PROFESSIONAL  
14 CERTIFICATION BE SIGNED BY THE INDIVIDUAL WHO PREPARED  
15 THE COST ESTIMATES. AND THAT'S SOMETHING THAT THE  
16 MILITARY RECOGNIZES IS AN INTERNAL PROBLEM, BUT IT'S  
17 SOMETHING THAT EVERY BASE THAT WE HAVE TALKED TO HAS  
18 RAISED AS AN ISSUE.

19 THE NEXT ISSUE THAT WAS RAISED, AND THIS IS A  
20 VERY IMPORTANT ONE, IS ON THE -- REGARDING THE ENTERPRISE  
21 FUND. AND THAT IS THAT SEVERAL COUNTIES HAVE TELEPHONED  
22 US AND INDICATED THAT THEIR COUNTY COUNSEL HAVE TOLD THEM  
23 THAT IT IS ILLEGAL FOR THE CURRENT BOARD OF SUPERVISORS  
24 TO COMMIT FUTURE BOARDS OF SUPERVISORS TO THE  
25 ESTABLISHMENT AND DEDICATION OF THE FUND. THAT IS, THAT



1 THEY CANNOT BIND FUTURE BOARDS OF SUPERVISORS.

2 OUR COUNSEL HAS BEEN RESEARCHING THIS ISSUE  
3 AND I DON'T KNOW IF THEY HAVE ANYTHING TO ADD AT THIS  
4 TIME; BUT CURRENTLY, FROM WHAT WE COULD DETERMINE,  
5 COUNTIES AND CITIES DO HAVE SOME ABILITY TO BIND FUTURE  
6 BOARDS OR COUNCILS. WE'RE NOT EXACTLY SURE THE  
7 LIMITATIONS OF THAT. I'LL TURN IT OVER TO COUNSEL AT  
8 THIS TIME.

9 ATTORNEY CONHEIM: MR. BROWN, YOU MAY HAVE SOME  
10 EXPERIENCE IN THIS AREA, BUT THERE IS A CONSTITUTIONAL  
11 PROVISION THAT ALLOWS FUNDS TO BE SET ASIDE THAT, IN  
12 FACT, WILL BE LIMITED PURPOSE USE FUNDS THAT, IN MY  
13 OPINION, WOULD BIND A FUTURE BOARD. NOW, TO THE EXTENT  
14 THAT THERE ARE STILL OBJECTIONS OUT THERE FROM COUNTY  
15 COUNSEL, WE JUST RECEIVED THESE COMPLAINTS AND COMMENTS.  
16 WE'RE GOING TO LOOK INTO IT.

17 AND THE WAY WE'RE GOING TO LOOK INTO IT IS  
18 THAT WE'VE DONE A LITTLE CONSTITUTIONAL RESEARCH. WE'RE  
19 GOING TO FIND OUT EXACTLY WHAT THEIR CITATIONS ARE AND  
20 WHAT IT IS THEY'RE CONCERNED ABOUT. AND WE'RE GOING TO  
21 ATTEMPT TO WORK WITH THEM TO, AT LEAST, EXPRESS A  
22 MECHANISM THAT DOESN'T GIVE THEM GRIEF. BUT WE DO THINK  
23 THERE'S SOME BASIS. ARTICLE 13 B, SECTION 5 OF THE  
24 CONSTITUTION HAS A PARAGRAPH ABOUT A COUNTY SETTING --  
25 LOCAL GOVERNMENT SETTING ASIDE SPECIAL PURPOSE FUNDS, AND



1 IT LOOK LIKE IT APPLIES.

2 BOARD MEMBER BROWN: I THINK BASICALLY YOU ARE  
3 CORRECT. THERE'S A COMMON BELIEF OUT THERE THAT ONE  
4 BOARD CANNOT BIND ANOTHER BOARD. HOWEVER, IN THE REAL  
5 WORLD, WE'RE GETTING MORE AND MORE LONG-TERM OBLIGATIONS  
6 LEGISLATED UPON US. AND WHILE THE BINDING OF FUNDS MAY  
7 BE SOMEWHAT QUESTIONABLE, THE OBLIGATION IS CERTAINLY  
8 NOT.

9 WHAT HAPPENS IS THAT A NEW BOARD, WHETHER IT  
10 BE A CITY COUNCIL OR BOARD OF SUPERVISORS, COMES ONBOARD  
11 AND THEY MAY TAKE THE ENTERPRISE FUND AND THEN SPEND IT  
12 ON A PARTY. THEY HAVE NOT NEGATED THE OBLIGATION, WHICH  
13 THE NEXT MORNING IS STILL THERE REARING IT'S UGLY HEAD  
14 NEEDING TO BE FUNDED. SO WHAT YOU REALLY GET INTO THEN,  
15 IS THE ONGOING MAINTENANCE OF THAT FUND. NOW, THEY MAY  
16 CHOOSE TO OPERATE IT A LITTLE DIFFERENTLY, PUT IT OUT TO  
17 BETTER INTEREST, OR SOME WAY, BUT I STILL THINK THAT YOU  
18 ARE BASICALLY CORRECT.

19 ATTORNEY CONHEIM: MR. CHAIRMAN, I THINK THERE'S A  
20 QUESTION THAT I THINK WE NEED TO BE SENSITIVE TO. WE  
21 HAVE NO DESIRE TO ENTER INTO THE POLITICAL THICKET AND  
22 EXPRESS SOMETHING IN A WAY THAT LOOKS LIKE IT'S  
23 POLITICALLY BINDING FUTURE BOARDS OF SUPERVISORS OR OTHER  
24 LOCAL GOVERNMENT OFFICIALS. SO WE ARE GOING TO JUST  
25 PURSUE THESE OBJECTIONS, THESE COMMENTS, TO THE POINT



1 WHERE WE ARE CLEAR ABOUT WHAT IT IS THEY'RE CONCERNED  
2 ABOUT; AND, HOPEFULLY, WE CAN CLARIFY WHAT WE'RE TRYING  
3 TO DO WITH THEM.

4 BOARD MEMBER BROWN: I THINK THAT'S THE RIGHT THING  
5 TO DO.

6 ATTORNEY CONHEIM: IF WE HAVE A PROBLEM AFTER ALL  
7 OF THAT IS DONE, WE WILL COME BACK AND TALK TO YOU ABOUT  
8 IT, BUT WE'RE NOT FINISHED YET.

9 MS. TRGOVCICH: SO WE DO WANT TO MAKE IT CLEAR IN  
10 TERMS OF THE ENTERPRISE FUND THAT THE INTENT IS THAT THE  
11 FUNDS ARE SET ASIDE, NOT JUST FOR THE TERM OF THE CURRENT  
12 BOARD OF SUPERVISORS OR CITY COUNCILMEN, BUT FOR THE  
13 FUTURE TERMS AS WELL, BE THEY NEW ELECTED OFFICIALS OR  
14 OTHERWISE. AND IF IT REQUIRES AN OBLIGATION OR SOME  
15 OTHER MECHANISM THAT MUST BE SOUGHT, AND IF A PARTICULAR  
16 CITY OR COUNTY FEELS THAT THEY CANNOT EVEN IMPLEMENT THIS  
17 AS AN OBLIGATION, THAT WE WOULD HAVE SERIOUS DOUBTS AS  
18 FAR AS APPROVAL OF THAT MECHANISM IS CONCERNED BECAUSE,  
19 THEN, THAT WOULD LIMIT THAT MECHANISM TO THE TERM OF THE  
20 CURRENT BOARD OR COUNCIL.

21 THE NEXT SET OF COMMENTS THAT WE RECEIVED WERE  
22 FROM THE GRCD, AND I'D JUST LIKE -- OH, I'VE JUST BEEN  
23 TOLD THAT THE LETTER THAT WE RECEIVED COMMENTS FROM GRCD  
24 HAS BEEN PASSED OUT TO YOU. THE POINT THAT I'D JUST LIKE  
25 TO TOUCH ON RIGHT HERE IS THAT THEY DID HOLD A MEETING IN



1 STOCKTON ON JULY 28TH, DISCUSSING THE PROVISIONS OF  
2 AB 2448. AND FOR THE PURPOSE OF THIS SECTION RIGHT NOW,  
3 I WOULD JUST LIKE TO BRING UP THAT THEY FELT THAT THE  
4 TIMELINE IN TERMS OF THE JANUARY 1 CERTIFICATION WAS  
5 INSUFFICIENT, AND THAT IN ORDER FOR CITIES AND COUNTIES  
6 TO BE ABLE TO MEET THE REQUIREMENTS OF THE LAW, THAT THAT  
7 TIME FRAME SHOULD BE EXTENDED.

8 IT WAS EXPLAINED THAT THIS IS A LEGISLATURE  
9 REQUIREMENT, AND NOT A REQUIREMENT THAT WE ARE MAKING IN  
10 TERMS OF REGULATION. AND THAT IN TERMS OF THE  
11 NOTIFICATION TO OPERATORS, THIS LEGISLATION WAS PASSED IN  
12 SEPTEMBER OF '87, AND OPERATORS AND LEA'S WERE MADE AWARE  
13 OF IT THROUGH VARIOUS SERIES OF CORRESPONDENCE FROM THE  
14 BOARD BEGINNING IN THE EARLY PART OF THIS YEAR IF THEY  
15 WERE NOT MADE AWARE OF IT THROUGH THEIR OWN COUNTY AND  
16 CITY ORGANIZATIONS AND OPERATOR ORGANIZATIONS DURING THE  
17 PAST YEAR, CALENDAR YEAR '87, AS THE LEGISLATION WAS  
18 PROCEEDING. SO THAT'S OUR RESPONSE TO THAT COMMENT.

19 CHAIRMAN BEAUTROW: WELL, IN LINE WITH THAT, AGAIN,  
20 LOOKING AT THE PRACTICAL ASPECTS, WHAT IF WE DON'T --  
21 COME JANUARY 1, WE DON'T GET ALL OF THIS STUFF AND  
22 FEBRUARY -- WHAT RECOURSE IS THERE? DO WE START  
23 REFERRING THEM TO THE ATTORNEY GENERAL?

24 ATTORNEY CONHEIM: THERE IS -- THERE ARE RECOURSES  
25 WHICH ARE POSSIBLE UNDER THE LAW, AND I THINK THAT BILL



1 ORR'S GROUP HAS THOUGHT ABOUT THIS ISSUE. OBVIOUSLY, IN  
2 A STRICT LEGAL BASIS, WE CAN ATTEMPT TO ENFORCE THE TITLE  
3 WITH SOME KIND OF A MANDATE ACTION, BUT I DON'T KNOW.  
4 BILL MAY HAVE SOME ADDITIONAL COMMENTS ABOUT IT WITH SOME  
5 POLICY SUGGESTIONS THAT YOU MIGHT WANT TO CONSIDER.

6 MR. ORR: WELL, BASICALLY, WHAT WE SEEK TO DO IS  
7 LOOK AT IT IN THE POSITIVE LIGHT WHERE WE WOULD LIKE TO  
8 DO EVERYTHING WE CAN TO FACILITATE THE ABILITY OF THE  
9 OPERATORS TO COMPLY WITH THE REQUIREMENT. IN TERMS OF  
10 APPROACHES FOR AFTER THE FACT, BASICALLY, WHAT WE WOULD  
11 DO AT THAT POINT IN TIME WOULD BE WORK WITH THE  
12 ENFORCEMENT DIVISION TO LET THEM KNOW WHAT VARIOUS  
13 FACILITIES HAD NOT YET RECEIVED CERTIFICATIONS AND WOULD  
14 FOLLOW THROUGH A VARIETY OF PROBABLY ADMINISTRATIVE  
15 SITUATIONS. WHAT WE WOULD LIKE TO ENCOURAGE, IN TERMS OF  
16 PROBLEMS IF THEY'RE INCOUNTERED, IS FOR THEM TO BE  
17 BROUGHT TO OUR ATTENTION BEFORE THE DEADLINE RATHER THAN  
18 AFTER THEY DON'T SUBMIT THEIR CERTIFICATION ON TIME.

19 CHAIRMAN BEAUTROW: WELL, ISN'T THAT WHAT THE GRCDA  
20 IS DOING, IN FACT?

21 MR. ORR: I DON'T THINK IT'S SPECIFIC. I MEAN,  
22 SIMPLY SAYING THERE'S NOT ENOUGH TIME IS DIFFERENT FROM  
23 THEM SAYING THIS SPECIFIC THING CAN'T BE DEALT WITH. I  
24 THINK THAT WE DON'T WANT TO BE IN THE POSITION OF GIVING  
25 THE MESSAGE TO THE OPERATORS THAT WE DON'T PLAN ON



1 ENCOURAGING THEM TO COMPLY WITH THE CERTIFICATION  
2 REQUIREMENT. . SO WE'RE JUST, AS IMPLEMENTERS OF THE LAW,  
3 POINTING OUT WHEN THE REQUIREMENT IS SET. IT IS FIXED IN  
4 THE LAW, NOT IN THIS DOCUMENT.

5 WE COULD PUT THIS DOCUMENT OUT TODAY, WE COULD  
6 PUT THIS DOCUMENT OUT DECEMBER 31ST, AND THE  
7 CERTIFICATION DATE IS SET IN THE LAW. THESE GUIDELINES  
8 REALLY HAVE NO RELATIONSHIP TO THAT CERTIFICATION DATE.  
9 IN TERMS OF WHAT WE HAVE -- AGAIN, TO LOOK AT THE  
10 POSITIVE SIDE, WHAT WE HAVE ENVISIONED TO FACILITATE THAT  
11 IS IN THE PREPARATION OF THIS GUIDELINES DOCUMENT. WE'VE  
12 ALSO BEEN TALKING ABOUT, AFTER A GUIDELINE DOCUMENT  
13 EXISTS, GOING OUT AND HAVING SOME WORKSHOPS TO ASSIST THE  
14 OPERATORS FURTHER IN COMPLETING THE ACTUAL --

15 CHAIRMAN BEAUTROW: WE'LL DO EVERYTHING WE CAN,  
16 TOO.

17 MR. ORR: -- TO HELP THEM.

18 CHAIRMAN BEAUTROW: THAT'S A GOOD POSITIVE  
19 APPROACH. OKAY, CAREN, PROCEED.

20 MS. TRGOVCICH: THE NEXT SET OF COMMENTS THAT WE  
21 RECEIVED AND WE RECEIVED FROM APPROXIMATELY THREE  
22 DIFFERENT COUNTIES AND PUBLIC ENTITIES, AGAIN, MAKING  
23 THESE COMMENTS WAS UTILIZATION OF AN ENTERPRISE FUND OR  
24 SIMILAR MECHANISM FOR BOTH CLOSURE AND POSTCLOSURE COSTS,  
25 AS WELL AS OPERATIONAL ACTIVITIES.



1           MANY COUNTIES OR CITIES ARE CURRENTLY SET UP  
2 SUCH THAT, WHILE THEY MAY BE PUTTING MONEY ASIDE IN THE  
3 ACCOUNT FOR THE CLOSURE AND POSTCLOSURE MAINTENANCE OF A  
4 FACILITY, THEN IF THEY DECIDE TO OPEN UP ANOTHER FACILITY  
5 CONCURRENTLY, THAT THE MONEY CAN BE DRAWN FROM THAT  
6 ACCOUNT AND UTILIZED FOR OPERATIONAL PURPOSES. AND MANY  
7 COUNTIES WANTED TO SEE THIS PROVISION IN THE GUIDELINES  
8 AS FAR AS ALLOWING AN ENTERPRISE FUND TO BE UTILIZED FOR  
9 THAT PURPOSE.

10           STAFF DOES NOT RECOMMEND THAT THIS APPROACH BE  
11 TAKEN BECAUSE THIS WOULD REQUIRE THE DEPLETION OF THE  
12 FUNDS FOR CLOSURE AND POSTCLOSURE WITH A COMMITMENT TO  
13 REIMBURSE THE FUNDS AT A FUTURE DATE ALONG SOME SORT OF  
14 SCHEDULE WHICH WOULD LEAVE THE COUNTY AND CITY, THEN,  
15 BASICALLY OPEN TO DISRUPTION IN THE EVENT THAT SOMETHING  
16 WOULD OCCUR IN THAT INTERIM PERIOD.

17           DOES THE BOARD HAVE ANY OTHER COMMENTS IN THAT  
18 AREA?

19           BOARD MEMBER BREMBERG: MR. CHAIRMAN, I WOULD JUST  
20 LIKE TO ASK YOU IF THERE WERE -- I CAN SEE THE DESIRE AND  
21 THE NECESSITY FOR EMERGENCY FUNDING OFTEN WITHOUT GOING  
22 TO BONDING OR WHATEVER. BUT IT WOULD SEEM TO ME THAT IF  
23 A COUNTY AND/OR CITY HAD THIS PROVISION WITH THE CAVEAT  
24 THAT IT HAD TO BE REPAID ON A REGULAR BASIS AT A GIVEN  
25 INTEREST RATE TO ITSELF TO REPLENISH THAT, I DON'T THINK



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1 IT WOULD BE ABUSED IN ANY WAY. I REALLY FEEL THAT THAT  
2 WOULD HELP FINANCE BOTH COUNTY AND CITY OPERATIONS  
3 BECAUSE THEY'RE NOT DEALING WHERE THEY CAN GO TO A BANK  
4 AND BORROW MONEY AND FUNDING AS A PRIVATE ENTERPRISE CAN  
5 OR DRAW ON SOME OTHER CAPITAL BUDGET. I THINK IT WOULD  
6 MAKE EMINENTLY GOOD SENSE TO ALLOW THAT PROVISION, BUT  
7 ALSO TO PUT A CAVEAT THAT IT BE REPAID AND REFUNDED, IF  
8 YOU WILL.

9 BOARD MEMBER BROWN: WHILE I WANT TO AGREE, I  
10 CANNOT AGREE IN THAT IT SEEMS THE INTENT OF THIS ENTIRE  
11 EXERCISE IS TO DESIGNATE A VERY SEPARATE OBLIGATION TO  
12 SATISFY A VERY SEPARATE AND DESIGNATED PURPOSE. AND WHEN  
13 WE START ALLOWING THE COMINGLING OF THOSE FUNDS FOR  
14 OPERATION AS WELL AS CLOSURE/POSTCLOSURE, WHILE MS.  
15 BREMBERG AND I ARE HONORABLE, OUR POSSIBLE SUCCESSORS MAY  
16 NOT BE; AND, THEREFORE, THERE MIGHT BE A DIFFICULTY WITH  
17 RESPECT TO THAT. I WOULD AGREE WITH YOUR RECOMMENDATION.

18 MS. TRGOVCICH: SINCE THERE APPEARS TO BE A  
19 DIFFERING OPINION HERE, I WOULD, FOR THE PURPOSE OF THESE  
20 GUIDELINES, PROPOSE THAT WE KEEP THE CURRENT WORDING AS  
21 IS, EVALUATE IN THE STUDY THAT WE'RE GOING TO CONDUCT  
22 INTO THESE FINANCIAL MECHANISMS OVER THE NEXT FOUR  
23 MONTHS, EVALUATE THE USE OF THAT FUND IN SOME EMERGENCY  
24 TO BE DEFINED, BUT EVALUATE THE USE OF THAT FUND FOR THAT  
25 POSSIBILITY DURING THE STUDY PERIOD IN THE UPCOMING



1 MONTHS.

2 IT MAY TURN OUT THAT THE RECOMMENDATIONS OF  
3 THE EXPERTS IN THE FIELD FEEL THAT THEY MAY AGREE WITH  
4 MR. BROWN OR MAY AGREE WITH MS. BREMBERG, BUT THAT WE  
5 HAVE THE OPPORTUNITY TO STUDY THAT ISSUE FURTHER. BUT  
6 THAT FOR THE PURPOSE OF GUIDELINES, WE KEEP THE CURRENT  
7 WORDING SO THAT WE'RE NOT -- BECAUSE IF WE CHANGE IT, MY  
8 FEELING IS THAT IF WE CHANGE THAT WORDING RIGHT NOW, WE  
9 WOULD BE GETTING INTO THE ARENA OF HAVING TO IMMEDIATELY  
10 DEFINE UNDER WHAT CIRCUMSTANCES COULD THAT MONEY BE  
11 BORROWED, BE TAKEN OUT OF THE FUND, AND WHAT KIND OF  
12 REPAYMENT PERIOD OR REPAYMENT SCHEDULE MUST BE  
13 ESTABLISHED, AND I DON'T FEEL WE'RE SET UP TO DO THAT  
14 RIGHT NOW.

15 BOARD MEMBER GALLAGHER: I'D LIKE TO AGREE WITH  
16 BOTH OF THEM, BUT I DON'T FEEL AT THIS STAGE OF THE GAME  
17 THAT IT'S MY PRIVILEGE TO DO THAT. BUT I WOULD LIKE TO  
18 ASK A QUESTION. WHEN YOU SENT THESE OUT FOR COMMENTS,  
19 WITHOUT IDENTIFYING ANY OF THE COUNTIES OR CITIES THAT  
20 WERE INVOLVED, HOW HEAVY WAS THE SUPPORT FOR THE IDEA OF  
21 MAKING IT POSSIBLE TO BORROW FROM THE ENTERPRISE FUND?  
22 WAS IT GREAT? WAS IT MODEST?

23 MS. TRGOVCICH: I WOULD CONSIDER -- WOULD CALL IT  
24 MODEST, AND I WOULD ALSO STATE THAT THE SUPPORT DID NOT  
25 COME FROM THE VERY LARGE COUNTIES, NECESSARILY THE LARGER



1 COUNTIES, THE LARGER REVENUE BASE AND WILL NOT FEEL THE  
2 BITE AS MUCH. THE SUPPORT CAME FROM THE MEDIUM INCOME  
3 COUNTIES ON A MODEST SCALE. THAT'S WHY I WOULD PROPOSE  
4 THAT BECAUSE I DON'T BELIEVE THAT WE'RE DEALING WITH AN  
5 ISOLATED SECTOR HERE. I'M SURE THERE ARE MANY COUNTIES  
6 OUT THERE WHO WOULD LIKE TO BE ABLE TO UTILIZE THAT FUND  
7 FOR OTHER PURPOSES. IF YOU CAN IMAGINE ANY ELECTED  
8 OFFICIAL SITTING IN HIS CHAIR AND SEEING A MILLION  
9 DOLLARS ON SHORTFALL OR WHATEVER THEY'RE LOOKING AT AND  
10 THEN SEEING THIS POT OF MONEY OVER HERE --

11 BOARD MEMBER GALLAGHER: IT ISN'T JUST SMALL  
12 COUNTIES, BUT BIG ONES THAT ARE FACED WITH THAT SAME  
13 DILEMMA.

14 MS. TRGOVCICH: RIGHT.

15 BOARD MEMBER GALLAGHER: IT'S NOT AN UNUSUAL  
16 ARRANGEMENT. I MEAN, WE HAVE IT GOING ON IN THE STATE  
17 GOVERNMENT RIGHT NOW WHERE MONEY IS BORROWED FROM ONE  
18 FUND AND PAID BACK AT A RATE OF INTEREST. AS A MATTER OF  
19 FACT, THIS BOARD WAS CREATED THAT WAY. WE BORROWED MONEY  
20 FROM THE GENERAL FUND AND IT HAD TO BE REPAID. SO IT'S  
21 NOT AN UNUSUAL THING, EXCEPT THAT I THINK IF YOU OPEN UP  
22 THE FLOOD GATES, YOU MAY BE DEFEATING THE POINT THAT MR.  
23 BROWN MADE, THAT THIS WHOLE EXERCISE WAS SUPPOSED TO  
24 SUPPORT ONE INDIVIDUAL ACTIVITY, WHICH IS  
25 CLOSURE/POSTCLOSURE. SO I'LL WITHHOLD JUDGMENT, BUT I



1 THINK WE ARE PRETTY CLOSE TO STAYING WITH WHAT WE ARE.

2 MS. TRGOVCICH: THAT'S WHY I'D LIKE TO RECOMMEND  
3 THAT WE KEEP WITH THE CURRENT WORDING, BUT INCLUDE IT FOR  
4 STUDY IN THE UPCOMING MONTHS. THE ONE THING THAT THAT  
5 RAISED IN MY MIND, JUST AS WE WERE TALKING, WOULD BE  
6 IMPACT ON PRIVATE FACILITIES. FROM THE STANDPOINT THAT  
7 WE'VE HAD PUBLIC ENTITIES SAY WE DON'T LIKE TO SEE  
8 MECHANISMS IN THIS DOCUMENT THAT THE PRIVATE COMPANIES  
9 CAN UTILIZE, BUT THAT WE CAN'T. AND ARE WE THEN  
10 ESTABLISHING A MECHANISM FOR A PUBLIC ENTITY WHICH THE  
11 PRIVATE FACILITIES MAY THEN WANT TO UTILIZE?

12 BOARD MEMBER VARNER: MR. CHAIRMAN, CAREN JUST  
13 BROUGHT UP THE ISSUE THAT I WAS GOING TO SAY. AT LUNCH I  
14 WAS ASKED BY SOMEONE IN THE PRIVATE SECTOR ABOUT A VERY  
15 SIMILAR THING, THAT IF MONEY WAS SET ASIDE, IF THEY COULD  
16 USE IT. AND THEY WERE TALKING ABOUT A PHASED APPROACH  
17 AND THIS, THAT, AND THE OTHER, AND WHAT IF; AND MY ANSWER  
18 TO THEM WAS I THINK WHEN YOU SET MONEY ASIDE FOR THAT  
19 PURPOSE, IT'S GOING TO HAVE TO STAY THAT WAY.

20 AND, OBVIOUSLY, IF IT'S GOING TO STAY THAT WAY  
21 FOR THE PRIVATE SECTOR, IT'S GOING TO HAVE TO STAY THAT  
22 WAY FOR THE PUBLIC SECTOR OR VICE VERSA. OTHERWISE, IT'S  
23 NOT A FAIR THING AND YOU DON'T HAVE NOTHING BUT  
24 COMPLAINTS. SO WHATEVER MECHANISM IS CHOSEN, IT'S GOING  
25 TO HAVE TO BE EVENHANDED FOR EVERYBODY.



1 MS. TRGOVCICH: I STILL FEEL THAT -- AND I DON'T  
2 KNOW IF THE BOARD AGREES ON THIS NOTE, BUT THAT WE DO  
3 INCLUDE IT FOR STUDY; HOWEVER, IN THE COMING MONTHS THAT  
4 IT BE SOMETHING THAT WE TAKE A CLOSE LOOK AT BECAUSE, AS  
5 MS. BREMBERG STATED, THAT IS SOMETHING THAT MANY COUNTIES  
6 CURRENTLY UTILIZE IN OTHER AREAS AND MAY WANT TO CONTINUE  
7 TO UTILIZE, AND THAT WE NEED TO EXPLORE THAT AND NOT TURN  
8 THAT IDEA AWAY RIGHT AWAY WHEN WE DON'T HAVE THE  
9 EXPERTISE TO EVALUATE IT CURRENTLY.

10 BOARD MEMBER GALLAGHER: CAREN, WOULDN'T WE WANT TO  
11 DO THAT WITH EVERYTHING? I MEAN, WE'RE PLOWING SOME  
12 PRETTY DAMN NEW GROUND. IT WOULD SEEM TO ME THAT WE  
13 DON'T WANT TO FORECLOSE ANY OPTIONS, AND WE SHOULD HAVE  
14 THE CAVEAT THAT ANY OF THESE THINGS ARE UP TO FURTHER  
15 STUDY AS WE GO DOWN THE LINE. LET'S JUST NOT CAST OUR  
16 FEET IN CONCRETE RIGHT OFF THE BAT.

17 MS. TRGOVCICH: YEAH. I WOULD SAY THAT DOES APPLY  
18 TO JUST ABOUT EVERY MECHANISM THAT WE'RE TALKING ABOUT IN  
19 THIS DOCUMENT TODAY, AS WELL AS THE OTHER ASPECTS OF THIS  
20 DOCUMENT RELATING TO THE COST ESTIMATES.

21 CHAIRMAN BEAUTROW: YOU ALL AGREE THAT WE SHOULD BE  
22 OPEN-MINDED ABOUT THIS. I THINK THAT'S THE CONSENSUS.

23 MS. TRGOVCICH: IS THE AGREEMENT, THEN, THAT WE  
24 KEEP --

25 CHAIRMAN BEAUTROW: WE'RE NOT GOING TO VOTE ON IT,



1 BUT I THINK THAT IT GENERALLY IS EXPRESSED THAT WE ARE IN  
2 THE EXPERIMENTAL STAGE HERE AND WE WANT TO KEEP AS OPEN A  
3 MIND AS POSSIBLE ON THE STUDIES. WE'VE ALSO DISCUSSED A  
4 LOT OF OTHER ISSUES.

5 MS. TRGOVCICH: OKAY. BUT --

6 CHAIRMAN BEAUTROW: I THINK -- YOU KNOW, WHEN YOU  
7 GET ALL DONE HERE, YOU ARE GOING TO SUMMARIZE, RIGHT?

8 MS. TRGOVCICH: THAT'S CORRECT.

9 CHAIRMAN BEAUTROW: I THINK WE'LL WAIT TILL THAT  
10 TIME.

11 MS. TRGOVCICH: OKAY. ALL RIGHT. THEN I'LL MOVE  
12 ON TO ANOTHER ISSUE RELATED TO THE MIXING OF THE  
13 OPERATION AND CLOSURE COSTS, AND THIS IS A DIFFERENT  
14 ISSUE. AND THIS WAS RAISED BY THE LOS ANGELES SANITATION  
15 DISTRICT, BUT A NUMBER OF OTHER COUNTIES RAISED THIS  
16 ISSUE AS WELL. AND THAT IS -- WE'VE HEARD ABOUT IT THIS  
17 MORNING, TOO.

18 A, WHAT THE DOCUMENT OR THE GUIDELINES OR  
19 ULTIMATELY THE REGULATIONS MAY TERM TO BE CLOSURE COSTS  
20 MAY, IN FACT, BE PERFORMED DURING THE OPERATIONAL PHASE  
21 OF THE FACILITY. AND THAT WE'RE REQUIRING IN THE INITIAL  
22 COST ESTIMATES THAT ALL OF THESE ELEMENTS BE INCLUDED AND  
23 A FUND BE ESTABLISHED TO COVER ALL THESE ELEMENTS, BUT  
24 WHAT HAPPENS IF THE FACILITY PERFORMS THAT ACTIVITY PRIOR  
25 TO CLOSURE.



1                   AND THIS ISSUE WAS RAISED BY SEVERAL COUNTIES,  
2 AND STAFF'S RESPONSE IN THIS AREA WOULD BE THAT AT THE  
3 TIME THAT THE ACTIVITY WAS PERFORMED AND THE BOARD  
4 RECEIVED DOCUMENTATION TO THAT EFFECT OR WHATEVER ELSE  
5 WAS REQUIRED, THAT THOSE COSTS COULD THEN BE BACKED OUT  
6 OF THE ESTIMATES. NOT THAT THE FUND WOULD NECESSARILY BE  
7 PAYING FOR THOSE COSTS, BUT YOU WOULD THEN REDUCE YOUR  
8 OVERALL COST ESTIMATES; AND, THUS, YOUR PAYMENTS INTO THE  
9 FUND, BY THE AMOUNT THAT YOU -- AS FAR AS THE ACTIVITY  
10 THAT YOU HAD JUST PERFORMED.

11                   BOARD MEMBER GALLAGHER: I UNDERSTAND THEIR DESIRE  
12 TO DO THAT, AND I, AT THIS STAGE OF THE GAME, HAVE NO  
13 OBJECTION TO IT. BUT I THINK THAT AT THE SAME TIME THERE  
14 HAS TO BE SOME KIND OF A MECHANISM SET UP THROUGH  
15 ENFORCEMENT OR SOME PART OF OUR BOARD STAFF TO BE SURE  
16 THAT THESE FUNCTIONS ARE ACTUALLY BEING -- ARE TAKING  
17 PLACE TO OUR SATISFACTION IN THAT WHEN WE GET TO THE  
18 POINT WHERE THEY'RE SAYING "OKAY, WE'RE CLOSED," THAT  
19 THEY HAVE, IN FACT, AS THEY HAVE GONE LONG, ACTUALLY  
20 LIVED UP TO THE COMMITMENTS, WITH THE STANDARDS THAT  
21 WE'VE ESTABLISHED.

22                   I DON'T KNOW WHAT THAT MECHANISM IS, BUT I  
23 CERTAINLY BELIEVE THAT THAT HAS TO BE DONE. WE JUST  
24 CAN'T GO ALONG UNTIL THE PLACE IS READY TO CLOSE AND FIND  
25 OUT THAT ALL OF THIS WORK THAT THEY'VE TAKEN CREDIT FOR



1 HASN'T ACTUALLY BEEN PERFORMED TO THE LEVEL OF OUR  
2 SATISFACTION.

3 BOARD MEMBER BROWN: ADDITIONALLY, TO THAT, I THINK  
4 THAT WE HAVE TO BE CERTAIN THAT THE ACTIVITY PERFORMED  
5 EARLY ON IN THE SITE'S LIFE ACTUALLY CONFORMS TO WHAT  
6 WILL BE REQUIRED AT THE CLOSING TIME. JUST AS AN  
7 EXAMPLE, A WATER MONITORING SYSTEM. MAYBE A SYSTEM THAT  
8 MONITORS AN ACTIVE LANDFILL IS DIFFERENT THAN ONE THAT'S  
9 CLOSED. I DON'T KNOW WHAT I'M SAYING HERE OTHER THAN  
10 THERE MAY BE DIFFERENT SPACING REQUIREMENTS, THERE MAY BE  
11 DIFFERENT GEOGRAPHICAL REQUIREMENTS, AND SO FORTH. SO TO  
12 TAKE CREDIT FOR IT UP FRONT, WELL, IT REALLY WON'T FIT AT  
13 THE OTHER END, MIGHT BE SOMETHING TO BE AWARE OF, AND I  
14 SUSPECT THERE WOULD BE SOME COMMENT ON THAT LATER AND I  
15 LOOK FORWARD TO THOSE.

16 MS. TRGOVCICH: I'M SURE THERE WILL BE COMMENT ON  
17 THAT AREA LATER, BUT I WOULD JUST LIKE TO POINT OUT FOR  
18 THE BOARD'S INFORMATION RIGHT HERE THAT THAT'S AN ISSUE  
19 THAT WE WILL BE DEALING WITH IN TERMS OF REGULATIONS, IN  
20 TERMS OF THESE INITIAL COST ESTIMATES, AND CERTIFICATION  
21 THAT THE FUNDS HAVE BEEN ESTABLISHED. WE HAVE -- WE WILL  
22 HAVE THE TIME TO BE ABLE TO DEVELOP THE LANGUAGE TO  
23 SATISFY YOUR CONCERNS ON THESE GUIDELINES AND DON'T  
24 NECESSARILY NEED TO ADDRESS THAT RIGHT NOW. THE  
25 REGULATIONS WILL BE FORTHCOMING IN THAT AREA.



1 BOARD MEMBER GALLAGHER: EXCUSE ME. JUST ONE OTHER  
2 THING. IT WOULD SEEM TO ME THAT THESE PROPOSED WORKSHOPS  
3 THAT YOU HAVE OR WERE PROPOSING TO HAVE WITH THE  
4 OPERATORS MIGHT PROVE TO BE AN IMPORTANT CONDUIT OF  
5 BRINGING INFORMATION BACK ON WHAT'S OUT THERE IN THE  
6 FIELD THAT WE IN OUR GREAT WISDOM DON'T SEE UP HERE. SO  
7 I'D BE INTERESTED IN SETTING UP SOME SORT OF PROCEDURE  
8 THAT ALLOWS US TO HAVE SOME FEEDBACK FROM THOSE  
9 WORKSHOPS.

10 MR. EOWAN: OKAY. WE'LL REPORT ON THOSE, THEN, AS  
11 THEY OCCUR.

12 CHAIRMAN BEAUTROW: I JUST WANTED TO ASK A QUESTION  
13 HERE. SINCE THE TIME THAT'S AVAILABLE -- I DON'T WANT --  
14 YOU KNOW, WE DON'T WANT TO GIVE SHORT SHIFT TO THIS,  
15 OBVIOUSLY, BUT THE TIME THAT WE ALLOCATED FOR THIS WAS  
16 TWO HOURS, AND IT'S NOW THREE HOURS, AND WE HAVEN'T EVEN  
17 FINISHED WITH ITEM 1. SO WHAT'S THE SENSE OF HOW MUCH  
18 MORE TIME ARE WE GOING TO SPEND ON THIS FIRST ITEM SO WE  
19 KNOW HOW TO PLAN THE REST OF THE DAY?

20 MS. TRGOVCICH: I WOULD EXPECT THAT I WOULD NEED  
21 APPROXIMATELY ANOTHER TEN MINUTES, DEPENDING ON COMMENTS,  
22 AND THEN WHATEVER COMMENTS THE AUDIENCE HAS. ITEM NO. 2  
23 WOULD TAKE APPROXIMATELY ONE AND A HALF HOURS.

24 CHAIRMAN BEAUTROW: IT JUST SCARES ME THAT WE HAD  
25 MORE THAN TWO HOURS FOR ITEM NO. 2, AND WE HAVEN'T EVEN



1 STARTED IT YET. SO, I JUST THANK YOU. PROCEED.

2 MS. TRGOVCICH: OKAY. THE NEXT ISSUE THAT WAS  
3 RAISED IN THE COMMENTS WAS REGARDING THE OWNERSHIP OF A  
4 FACILITY AND WHO MUST MAKE THE CERTIFICATION THAT THE  
5 FUND HAS BEEN ESTABLISHED. COUNTIES BROUGHT UP THIS  
6 ISSUE IN REGARDS TO A COUNTY MAY OWN AND OPERATE A  
7 FACILITY. A COUNTY MAY OWN A FACILITY, BUT CONTRACT OUT  
8 ITS OPERATIONS, OR A COUNTY MAY OWN THE LAND AND LEASE  
9 THE LAND AND WHAT HAPPENS TO BE OCCURRING IS A LANDFILL  
10 OPERATION.

11 AND THE QUESTION WAS: IF THE COUNTY OWNS THE  
12 LAND AND OPERATES OR CONTRACTS THE OPERATION, CAN IT BE  
13 LEFT UP TO THE COUNTY TO MAKE THE DETERMINATION AS FAR AS  
14 WHO MUST MAKE THE -- ESTABLISH THE FUND, BE IT THE COUNTY  
15 OR THE CONTRACT OPERATOR? FOR AN EXAMPLE: IF COUNTY X  
16 OWNS THE LAND, IT'S INTENDED TO BE OPERATED AS A LANDFILL  
17 AND THEY CONTRACT OUT ITS OPERATIONS, WHAT WE'RE SAYING  
18 HERE IS THAT IT IS ALL RIGHT FOR -- WELL, WHAT STAFF  
19 PROPOSES IS THAT THE COUNTY CAN, IN ITS AGREEMENT OR  
20 CONTRACT WITH THE OPERATOR, SPECIFY THAT THAT'S THE  
21 OPERATOR'S OBLIGATION.

22 HOWEVER, IF THE FUND WAS NOT ESTABLISHED, IT  
23 WOULD ULTIMATELY BE THE RESPONSIBILITY OF THE LEGAL  
24 OPERATOR. THAT PENALTY WOULD FALL UPON -- MAYBE PENALTY  
25 ISN'T THE RIGHT WORD -- BUT THE ONUS WOULD FALL UPON THE



1 LEGAL OPERATOR TO ESTABLISH THAT FUND, SUCH, THAT IF THE  
2 OPERATIONS ARE CONTRACTED, BUT ON THE PERMIT THE OPERATOR  
3 IS THE COUNTY OF X, THAT ULTIMATELY, THEN, THE COUNTY IS  
4 THE LEGAL OPERATOR. THEY MAY HAVE AN AGREEMENT WITH THE  
5 CONTRACT OPERATOR TO ESTABLISH THE MECHANISM; BUT IF IT  
6 IS NOT PERFORMED, THEN IT'S THE LEGAL OPERATOR WHICH  
7 WOULD THEN BE SUBJECT.

8 THE NEXT ISSUE WAS -- THE CERTIFICATION  
9 STATEMENT SEEMS TO ALLOW THE COMBINATION OF TWO OR MORE  
10 MECHANISMS TO SATISFY THE FUND REQUIREMENTS, BUT THAT THE  
11 GUIDELINES THEMSELVES SEEM TO FOCUS ON THE UTILIZATION OF  
12 ONE MECHANISM. STAFF WOULD LIKE TO ADJUST THE GUIDELINES  
13 OR PUT ADDITIONAL WORDING INTO THE GUIDELINES TO MAKE IT  
14 CLEAR THAT IF AN OPERATOR WISHES TO USE A COMBINATION OF  
15 METHODS, THAT THAT IS SATISFACTORY, PROVIDED THAT THEY  
16 MEET THE INTENT OF THE LAW, AND THAT IS THE ESTABLISHMENT  
17 OF THE FUND TO THE AMOUNT SPECIFIED IN THE INITIAL COST  
18 ESTIMATES WHICH WILL ENSURE ADEQUATE FUNDS FOR CLOSURE.

19 THE NEXT ISSUE, AND THIS IS SOMETHING THAT I'M  
20 SURE THERE WILL BE A COUPLE INDIVIDUALS IN THE AUDIENCE  
21 THAT WILL WANT TO SPEAK TO, IS THE ISSUE OF BENEFICIARY.  
22 AND WE TALKED ABOUT THIS A LITTLE BIT LAST TIME, AND THAT  
23 IS UNDER MECHANISM, SUCH AS A TRUST FUND OR AN ENTERPRISE  
24 FUNDS. IT'S CLEAR THAT THE MONEY IS THERE AND IT WILL BE  
25 DRAWN UPON WHEN THE TIME IS NECESSARY. FOR OTHER



1 MECHANISMS, SUCH AS A LETTER OF CREDIT, SURETY BOND,  
2 INSURANCE, ETC., IF, IN THE EVENT THAT THE OPERATOR  
3 CANNOT PAY THE COSTS AND THOSE MECHANISMS MUST BE BROUGHT  
4 INTO PLAY, WHAT OCCURS THEN? WHO GETS THE MONEY? AND  
5 THAT'S AN ISSUE THAT'S HERE BEFORE THE BOARD.

6 NOW, AT THE LAST MEETING YOU WERE TALKING  
7 ABOUT THE BOARD BEING LISTED AS THE BENEFICIARY, WHICH IS  
8 WHAT IS DONE IN THE MAJORITY OF STATES THAT I'VE LOOKED  
9 AT ON SUCH, AND THAT FUND CAN THEN BE CONTRACTED OUT, BUT  
10 THAT THE BOARD IS THE LEGAL BENEFICIARY TO THAT MONEY IN  
11 THE EVENT THAT THE OPERATOR CANNOT COME UP WITH THE FUNDS  
12 AT THE TIME OF CLOSURE.

13 THE NEXT ISSUE IS THE BUILDUP PERIOD, AND THIS  
14 COMMENT WAS JUST RECEIVED BY AN INDIVIDUAL THIS MORNING.  
15 AND THE QUESTION WAS THE GUIDELINES TALK ABOUT A GRADUAL  
16 BUILDUP IN CERTAIN CIRCUMSTANCES, AND IN OTHER  
17 CIRCUMSTANCES THE GUIDELINES SAY THAT THE FULL AMOUNT OF  
18 THE FUND SHALL BE THERE AT THE OUTSET. AND STAFF WOULD  
19 JUST LIKE TO CLARIFY, AND WE THINK IT WILL JUST REQUIRE A  
20 FEW WORD CHANGES, THAT FOR MECHANISMS WHICH SET ASIDE  
21 FUNDS, AND THAT WOULD INCLUDE THE TRUST FUND AND THE  
22 ENTERPRISE FUND, THAT THOSE MECHANISMS BE SUBJECT TO THE  
23 GRADUAL BUILDUP AND NOT THE ANNUAL INCREMENTS THAT WE  
24 WERE TALKING ABOUT. BUT THAT FOR FUNDS OR MECHANISMS  
25 SUCH AS A TRUST FUND, OR SUCH AS A SURETY BOND, LETTER OF



1 CREDIT, OR OTHERWISE, WHICH DO NOT SET ASIDE THOSE FUNDS,  
2 THAT THOSE MECHANISMS BE FULLY FUNDED AT THE OUTSET.

3 IF YOU ARE GOING TO GO WITH A SURETY BOND, THE  
4 BOND IS GOING TO BE THE AMOUNT OF THE INITIAL COST  
5 ESTIMATES. YOU'RE NOT GOING TO UTILIZE A SURETY BOND OR  
6 SEVERAL SURETY BONDS TO MAKE UP THE AMOUNT THAT YOU ARE  
7 GOING TO BE UTILIZING. THERE WOULD BE ONE MECHANISM, AND  
8 IT WOULD BE FULLY FUNDED AT THE OUTSET. AND THAT WOULD  
9 BE STAFF'S RECOMMENDATION IN THAT AREA, AND THERE MAY BE  
10 A MEMBER IN THE AUDIENCE THAT MAY WISH TO DISCUSS THAT.

11 THE LAST ISSUE THAT I'D LIKE TO BRING UP, AND  
12 IT'S SOMETHING THAT JUST -- NOT JUST FOR THE BOARD'S  
13 CONSIDERATION NECESSARILY, BUT FOR YOUR INFORMATION.  
14 THERE'S NOTHING IN THE GUIDELINES ON IT, AND THAT IS THAT  
15 WE HAVE BECOME AWARE OF ANOTHER MECHANISM WHICH HAS BEEN  
16 UTILIZED IN OTHER STATES, AND IT'S CALLED A CONTRACT OF  
17 OBLIGATION. AND MISSOURI IS THE STATE THAT WE'RE AWARE  
18 OF THAT CURRENTLY UTILIZES IT. WE HAVE COPIES OF THE  
19 CONTRACT AS WELL.

20 AND WHAT THIS IS IS AN OBLIGATION ON THE  
21 PART OF THE CITY OR COUNTY WITH THE AGENCY, AND IN THIS  
22 CASE IT WOULD BE THE BOARD, THAT THEY WILL PAY FOR THE  
23 COST OF CLOSURE AND POSTCLOSURE AT -- WHENEVER THE TIME  
24 ARISES. AND THAT IN THE EVENT THAT THEY CANNOT PAY FOR  
25 THOSE COSTS, THAT THE STATE, IN THIS CASE THE BOARD,



1 WOULD HAVE THE RIGHT TO THEN TAKE MONEY FROM THE STATE  
2 FUNDS THAT THAT COUNTY RECEIVES IN ORDER TO PAY FOR THE  
3 CLOSURE AND POSTCLOSURE COSTS.

4 THIS PRESENTS A LOT OF PROBLEMS IN TERMS OF  
5 PRIORITY PROGRAMS IN COUNTIES, AND THAT'S ALL I'D LIKE TO  
6 SAY ABOUT THAT AT THIS TIME, BUT TO LET YOU KNOW THAT  
7 MECHANISM EXISTS IN OTHER STATES. IT APPEARS FROM AN  
8 INITIAL OVERVIEW -- IT APPEARS THAT WITH SOME  
9 LEGISLATION, THERE MAY BE THE ABILITY TO IMPLEMENT THAT  
10 MECHANISM IN THIS STATE, BUT THIS PRESENTATION WAS MORE  
11 JUST TO GIVE YOU INFORMATION THAT THAT DOES EXIST.

12 THAT'S ALL THE COMMENTS THAT WE HAVE RECEIVED  
13 THUS FAR ON THIS PORTION OF THE GUIDELINES, AND AT THIS  
14 TIME IF THERE'S MEMBERS OF THE AUDIENCE THAT WOULD LIKE  
15 TO --

16 CHAIRMAN BEAUTROW: FIRST OF ALL, IS THERE ANY  
17 MEMBER OF THE BOARD THAT WANTS TO ASK CAREN QUESTIONS FOR  
18 INFORMATION?

19 BOARD MEMBER BROWN: WELL, JUST A COMMENT. THE  
20 LAST ISSUE THAT YOU JUST BROUGHT UP, THE CONTRACT OF  
21 OBLIGATION, IF I UNDERSTAND CORRECTLY WHAT YOU SAID, IT  
22 SEEMS TO BRING INTO FOCUS THE PREVIOUS QUESTION THAT WE  
23 TRIED TO ANSWER EARLIER WITH RESPECT TO OBLIGATING PUBLIC  
24 BODIES TO FUTURE CONTRACTS. AND IT'S POSSIBLE THIS ONE  
25 DOES HAVE THAT PROBLEM OR COULD HAVE THAT PROBLEM.



1 MS. TRGOVCICH: POSSIBLY THE PROBLEM, NOT JUST IN  
2 THOSE TERMS, BUT ALSO IN TERMS OF CERTAIN COUNTIES HAVE  
3 PRIORITY FUNDING OR FUNDING PROGRAMS THAT ARE OF A  
4 PRIORITY. THE MISSOURI CASE, FOR EXAMPLE, DOES NOT  
5 RECOGNIZE THE FUNDING PRIORITIES OF COUNTIES; AND, THUS,  
6 IT'S FEASIBLE THAT THE ENTIRE AMOUNT OF REVENUES RECEIVED  
7 FROM THE STATE COULD BE DIVERTED TO CLOSURE AND  
8 POSTCLOSURE REGARDLESS AS TO WHAT PROGRAMS THEY WERE  
9 ORIGINALLY INTENDED TO FUND. THAT IS ALLOWED BY STATUTE  
10 IN THE STATE OF MISSOURI, BUT IT IS CURRENTLY UNDER  
11 LITIGATION FOR VERY SIMILAR CIRCUMSTANCES.

12 BOARD MEMBER BROWN: THANK YOU.

13 BOARD MEMBER GALLAGHER: I DON'T WANT TO PROLONG  
14 THE DISCUSSION EXCEPT TO ASK JUST THIS ONE QUESTION. IN  
15 ANY OF THESE FUNDING MECHANISMS, IS THERE ANY PROVISIONS  
16 FOR FORFEITURE OF THE PROPERTY THAT'S INVOLVED IN THIS SO  
17 THAT THERE COULD BE A RECOVERY BY THE STATE OR SOMEONE IN  
18 THAT?

19 MR. ORR: IN THE LAW, NOT IN THIS PARTICULAR  
20 SECTION; BUT IN ONE OF THE ONES REGARDING THE LOAN  
21 GUARANTEES, THERE IS MORE OF A PROHIBITION FROM THAT  
22 RATHER THAN AN INCLINATION TO DO THAT. BASICALLY, IT  
23 PROHIBITS THAT BEING -- THE LAND WHERE SOLID WASTE HAS  
24 BEEN DISPOSED OF FROM BEING USED AS COLLATERAL FOR ONE OF  
25 LOAN GUARANTEES IN ANOTHER SECTION OF THE LAW.



1                   THERE ARE SOME PROBLEMS THAT HAVE BEEN  
2 EXPRESSED IN SOME OF THE EARLIER BOARD MEETINGS OR WHERE  
3 A LOAN OR SOMETHING LIKE THAT HAS BEEN PUT OUT WHERE ONE  
4 OF THE THINGS COULD HAPPEN IS THE FORFEITURE OF THE  
5 PROPERTY. AND WHEN IT GOT TO THAT POINT, IT WASN'T  
6 REALLY CLEAR THAT YOU WANTED TO GO AHEAD AND DO THAT.  
7 SO, CONCEIVABLY, THAT COULD CREATE MORE PROBLEMS THAN YOU  
8 WOULD SOLVE.

9                   CHAIRMAN BEAUTROW: ANYTHING ELSE? LET'S GO TO THE  
10 PUBLIC COMMENT. THERE'S A COUPLE OF NEW ONES HERE THAT  
11 WE HAVEN'T HEARD FROM, AND I THINK THAT SOME OF THE  
12 PEOPLE THIS MORNING THAT SPOKE SAID THEY ALSO WANTED TO  
13 SPEAK ON THIS PARTICULAR ASPECT OF IT.

14                   FIRST ONE IS MARTIN HAUSLADEN, AIR FORCE.

15                   MR. HAUSLADEN: I'M MARTIN HAUSLADEN, CHIEF  
16 GEOLOGIST FOR THE AIR FORCE REGIONAL ENGINEERS OFFICE IN  
17 SAN FRANCISCO.

18                   WE WOULD LIKE TO REITERATE WHAT HAS ALREADY  
19 BEEN SPOKEN TO YOU THAT AS FAR AS BEING ABLE TO COMPLY  
20 WITH THE 1 JANUARY '89 DEADLINE TO HAVE OUR PAPERWORK AND  
21 OUR FUNDING DONE, I THINK WE CAN, UNOFFICIALLY SPEAKING,  
22 GUARANTEE TO YOU THAT IT WILL NOT HAPPEN. SPEAKING FOR  
23 THE AIR FORCE, AGAIN UNOFFICIALLY, I CANNOT SPEAK FOR THE  
24 ARMY AND NAVY, THE AIR FORCE DOES TEND TO FULLY COMPLY  
25 WITH THE STATUTES OF THE GUIDELINES AS THEY'RE PRESENTED



1 TO YOU. BUT, AS I'M SURE ANY OF YOU THAT WORKED WITH THE  
2 FEDERAL GOVERNMENT KNOW, THAT WE HAVE A MONUMENTAL  
3 PAPERWORK TRAIL THAT WE HAVE TO LEAVE. WE HAVE SEVEN  
4 MAJOR COMMANDS THAT HAVE BASES IN CALIFORNIA. EACH MAJOR  
5 COMMAND COMPETES -- EACH BASE COMPETES FOR MONEY FROM THE  
6 MAJOR COMMAND, THE MAJOR COMMAND COMPETES FOR MONEY FROM  
7 THE AIR FORCE, AND THE AIR FORCE COMPETES WITH THE OTHER  
8 SERVICES, AND ON UP THE LINE.

9 CHAIRMAN BEAUTROW: HOW ABOUT THE TAXPAYERS?

10 MR. HAUSLADEN: THEY'RE THE ONES THAT KIND OF TAKE  
11 IT IN THE END, SO TO SPEAK.

12 THE DERA FUNDING WAS BROUGHT UP AS BEING A  
13 POSSIBLE OPTION FOR FUNDING THIS PROGRAM. THE DERA  
14 PROGRAM, WHICH IS THE DEFENSE ENVIRONMENTAL RESTORATION  
15 ACCOUNT, IS A CONGRESSIONALLY MANDATED FUND WHICH  
16 INSTRUCTS THE DOD TO FENCE 1 PERCENT OF ITS TOTAL BUDGET  
17 AND SET IT ASIDE FOR ENVIRONMENTAL CLEANUP OF ALL THE  
18 MILITARY INSTALLATIONS IN THE UNITED STATES AND ABROAD.

19 BEING A CONGRESSIONALLY MANDATED FUND, I'M NOT  
20 EXACTLY SURE THAT THIS CAN -- THAT WE CAN ENTER THIS FUND  
21 AND TAKE OUT MONEY TO SET ASIDE FOR SOLID WASTE. WHAT I  
22 JUST FEEL IS THAT WHAT'S GOING TO HAPPEN IS WE'LL HAVE TO  
23 GO BACK TO CONGRESS AND ASK FOR MORE MONEY OUTSIDE OF THE  
24 DERA FUND TO BE SET ASIDE TO FUND A PROGRAM LIKE THIS,  
25 WHICH WILL REQUIRE CONGRESSIONAL ACTION.



1           THERE WILL BE COMMUNICATIONS BETWEEN THE  
2 DEPARTMENT OF DEFENSE AND STAFFERS, AND I CAN SEE THIS  
3 BEING A SEVERAL-YEAR PROGRAM PRIOR TO BEING FUNDED.

4           MONIES OUT OF THE DERA ACCOUNT GO TO FUND  
5 CLEANUP SUCH AS THE ONE AT THE PENTAGON FOR CLEANING UP  
6 GROUNDWATER POLLUTION IN TUCSON, ARIZONA. WHEN SOMETHING  
7 LIKE THAT IS STACKED UP AGAINST THE SOLID WASTE PROBLEM  
8 IN CALIFORNIA, AND NOT BEING DISRESPECTFUL, BUT TUCSON IS  
9 GOING TO WIN. THE AIR FORCE HAS CAUGHT A GREAT DEAL OF  
10 HEAT OVER THIS, AS HAVE OTHER MILITARY INSTALLATIONS IN  
11 OTHER PARTS OF THE NATION. SO THAT'S WHY I FEEL, JUST AS  
12 AN EMPLOYEE NOT SPEAKING OFFICIALLY, THAT DERA CANNOT BE  
13 TOUCHED AT THIS POINT.

14           I WOULD LIKE TO MENTION THAT WE WILL CERTIFY  
15 ANY CLOSURE THAT WE DO. OUR CLOSURES WILL BE CERTIFIED  
16 BY EITHER A PROFESSIONAL REGISTERED GEOLOGIST OR A  
17 PROFESSIONAL CIVIL ENGINEER. BASE COMMANDERS FOR THE AIR  
18 FORCE -- BASE COMMANDERS OWN THE PROPERTY, BUT THE WORK  
19 IS DONE BY CONTRACTORS THROUGH GUIDANCE OF THE MAJOR  
20 COMMAND. AND WE REQUIRE OUR STIPULATIONS FOR WORK THAT  
21 ALL WORK BE CERTIFIED BY A REGISTERED CIVIL ENGINEER OR  
22 GEOLOGIST UPON COMPLETION OF THE PROJECT. SO WE WILL NOT  
23 BE GIVING TO YOU SOMETHING THAT IS POOR BOY AND BACK  
24 HAND. WE WILL BE GIVING YOU A CERTIFIED DOCUMENT. IT  
25 MAY TAKE US FIVE YEARS TO GET IT TO YOU, BUT IT WILL BE



1 IN THE PROPER FORM WHEN YOU RECEIVE IT.

2 WE WOULD APPRECIATE -- SINCE OUR OFFICE DID  
3 NOT LEARN OF THIS UNTIL 10 O'CLOCK YESTERDAY AFTERNOON,  
4 IGNORANCE IS NO -- IS NOT AN EXCUSE FOR INACTION. WE  
5 WOULD APPRECIATE THE OPPORTUNITY TO HAVE A COUPLE OF  
6 WEEKS TO FURTHER COMMENT ON THE PACKETS THAT YOU'VE GIVEN  
7 US TODAY.

8 THE REGIONAL CIVIL ENGINEER'S OFFICE DOES  
9 COORDINATE ALL CIVIL ENGINEERING PROJECTS IN CALIFORNIA  
10 AND THE WESTERN UNITES STATES AND PACIFIC TRUST  
11 TERRITORIES, WHICH YOUR INTEREST IS, OF COURSE, ONLY  
12 CALIFORNIA, BUT WE WOULD LIKE TIME TO REVIEW THIS  
13 DOCUMENT, AND WE WILL BE VERY PLEASED TO SUBMIT TO YOU  
14 OUR COMMENTS IN WRITING AT THE TIME THEY ARE SUBMITTED.

15 CHAIRMAN BEAUTROW: THANKS FOR COMING TO TESTIFY.

16 MICHAEL BERG.

17 MR. BERG: MR. CHAIRMAN, MEMBERS OF THE BOARD, I'M  
18 TESTIFYING FOR MYSELF AS A MEMBER OF THE PUBLIC WHO  
19 HAPPENS TO HAVE SIX YEARS OF EXPERIENCE IN PROVIDING  
20 ADVICE ON FINANCIAL RESPONSIBILITY ISSUES. I WORK FOR  
21 ICF INCORPORATED, AND WE'RE A CONSULTING FIRM IN THE  
22 ENVIRONMENTAL ENGINEERING AND POLICY AREAS.

23 I GENERALLY BELIEVE THAT THE DOCUMENT PUT  
24 TOGETHER BY CAREN AND THE REST OF THE STAFF IS VERY GOOD.  
25 I AGREE WITH HER SUGGESTIONS MADE FOR CHANGING THAT

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1 DOCUMENT AND WOULD LIKE TO TALK ABOUT FOUR SPECIFIC  
2 ISSUES.

3 THE FIRST HAS TO DO WITH HER SUGGESTION THAT  
4 COMBINATIONS OF MECHANISMS BE ALLOWED. I AGREE THAT  
5 THAT'S A GOOD IDEA, BUT I THINK TWO CLARIFICATIONS ARE  
6 NEEDED. THE FIRST IS THE POSSIBILITY THAT AN OPERATOR  
7 WOULD WANT TO USE BOTH THE FINANCIAL MEANS TEST AND A  
8 CORPORATE GUARANTEE. THE DIFFICULTY WOULD ARISE THERE IF  
9 THE CORPORATE GUARANTOR AND THE OPERATOR SUB USED THE  
10 SAME CONSOLIDATED FINANCIAL STATEMENTS. IF THAT OCCURS,  
11 THEN THEY'RE BASICALLY USING THE SAME ASSETS TWICE TO  
12 GUARANTEE THE SAME OBLIGATION. SO I THINK IF THEY DO  
13 HAVE CONSOLIDATED FINANCIAL STATEMENTS, THEY SHOULDN'T BE  
14 ALLOWED TO USE THAT COMBINATION OF MECHANISMS.

15 THE SECOND POINT CONCERNING THE COMBINATION  
16 HAS TO DO WITH THE FACT THAT SOME MECHANISMS ALLOW A  
17 BUILDUP PERIOD AND OTHERS DON'T. SO WHAT HAPPENS IF  
18 SOMEONE WANTS TO USE A TRUST FUND AND A LETTER OF CREDIT?  
19 THE LETTER OF CREDIT SAYS YOU HAVE TO HAVE THE WHOLE  
20 AMOUNT. THE TRUST FUND ALLOWS YOU TO BUILD UP OVER THE  
21 REMAINING LIFE OF THE LANDFILL. THE BOARD NEEDS SOME  
22 SORT OF POLICY TO ADDRESS THAT SITUATION.

23 I'VE COME UP WITH TWO OPTIONS. THE FIRST  
24 WOULD BE THAT, WELL, IF YOU USE A COMBINATION, YOU'VE GOT  
25 TO HAVE -- IF YOU USE A COMBINATION IN ANY MECHANISM AND



1 THAT COMBINATION REQUIRES YOU TO USE THE FULL AMOUNT,  
2 THEN YOU'VE GOT TO USE THE FULL AMOUNT.

3 A SECOND OPTION WOULD APPLY ONLY TO THE CASE  
4 WHERE SOMEONE WANTS TO USE ONE MECHANISM FOR CLOSURE AND  
5 A SECOND MEASURE FOR POSTCLOSURE CARE. IN THAT SITUATION  
6 YOU MIGHT ALLOW A DIFFERENT -- YOU MIGHT KIND OF SEPARATE  
7 THE TWO. YOU LOOK AT ALL THE MECHANISMS OR COMBINATION  
8 USED FOR CLOSURE. IF ANY MECHANISM REQUIRES A FULL  
9 AMOUNT OF COVERAGE, REQUIRE THE FULL AMOUNT FOR THAT  
10 COMBINATION OR INDIVIDUAL MECHANISM.

11 THERE'S A SECOND MECHANISM OR SET OF  
12 MECHANISMS FOR POSTCLOSURE CARE. AGAIN, APPLY THE SAME  
13 RULE. IF ANY MECHANISM IN THAT SET REQUIRES A FULL  
14 FUNDING, THEN REQUIRE FULL FUNDING FOR THE COMBINATION.  
15 THIS IS A BIT TECHNICAL, BUT I THINK CLARIFYING THE  
16 DETAILS WILL HELP LANDFILLS COMPLY WITH THE CERTIFICATION  
17 REQUIREMENT.

18 THE SECOND ISSUE HAS TO DO WITH THE  
19 BENEFICIARY SITUATION. IN MANY, BUT NOT ALL, FINANCIAL  
20 RESPONSIBILITY PROGRAMS, MECHANISMS THAT RELY ON A  
21 FINANCIAL INSTITUTION, SUCH AS A SURETY OR A BANK, USE  
22 WHAT'S CALLED A STANDBY TRUST FUND.

23 TO ILLUSTRATE, ASSUME A LANDFILL OPERATOR  
24 CAN'T PAY FOR THE ENTIRE COSTS THAT ARE ASSURED; FOR  
25 EXAMPLE, THEY GO BANKRUPT AND THEY'VE GOT A LETTER OF



1 CREDIT. THE BANK DOESN'T WANT TO DOLE THAT MONEY OUT  
2 GRADUALLY TO PAY FOR THE COSTS. IT WANTS TO GIVE IT TO  
3 SOMEONE RIGHT AWAY. WHO WILL RECEIVE THE MONIES? THERE  
4 ARE TWO OPTIONS. ONE, THEY COULD GO DIRECTLY TO THE  
5 BOARD AND THE BOARD COULD OVERSEE THE DISBURSEMENT,  
6 MANAGE THOSE FUNDS, MAKE SURE THERE'S SOME RETURN ON THE  
7 FUNDS OVER THE EXTENDED PERIOD THAT THEY ARE PAID OUT,  
8 MAKE SURE THEY'RE SEGREGATED FROM OTHER FUNDS. THAT'S  
9 ONE POSSIBILITY.

10 THERE ARE TWO -- THAT HAS TWO DOWNSIDES.  
11 FIRST, I HAVEN'T DONE THE LEGAL RESEARCH, BUT IN MANY  
12 CASES STATE AGENCIES ARE PROHIBITED FROM ACCEPTING SUCH  
13 FUNDS. IF YOU GET FUNDS FROM THE PUBLIC, THEY'VE GOT TO  
14 BE DEPOSITED IN THE STATE GENERAL FUND. I'M NOT CERTAIN  
15 IF THAT APPLIES HERE. IF IT DOES, THE SECOND OPTION, THE  
16 STANDBY TRUST FUND, WOULD SEEM TO BE THE ONLY FEASIBLE  
17 OPTION. SECOND DOWNSIDE IS THE ADMINISTRATIVE EXPENSES  
18 AND MANAGING AND SEGREGATING THOSE FUNDS.

19 THE SECOND OPTION, WHICH IS COMMONLY USED, IS  
20 CALLED A STANDBY TRUST FUND. BASICALLY, IT HAS THE SAME  
21 TERMS AS THE TRUST FUND. YOU SET IT UP WHEN YOU SET UP  
22 YOUR LETTER OF CREDIT. IT MAY TAKE A COUPLE HUNDRED  
23 DOLLARS, A ONE-TIME EXPENSE, TO SET UP THIS STANDBY TRUST  
24 FUND. OKAY? THE OPERATOR GOES BANKRUPT, THE MONEY GOES  
25 FROM THE BANK TO THE STANDBY TRUST FUND. THE TERMS OF



1 THE FUNDS ARE WRITTEN SO THAT THE BOARD DIRECTS WHERE THE  
2 MONEY GOES. THE TRUSTEE MANAGES THE FUNDS, MAKES SURE  
3 THAT INVESTMENTS ARE PAID, BUT ONLY PAYS OUT THE FUND  
4 WHEN THE BOARD DIRECTS IT TO DO SO. THAT FREES THE BOARD  
5 FROM THE NEED TO WORRY ABOUT THE MANAGEMENT OF THOSE  
6 ASSETS.

7 THOSE ARE THE TWO OPTIONS I SEE THAT THE BOARD  
8 HAS CONCERNING THE BENEFICIARY OR STANDBY TRUST FUND  
9 ISSUE. MY SUGGESTION IS PROBABLY TO GO WITH THE STANDBY  
10 TRUST FUND AT THE START, GIVEN THERE IS A POSSIBILITY  
11 THAT SOME LANDFILLS ARE GOING TO SET ASIDE SOME FUNDS AND  
12 GO BANKRUPT BEFORE THE FINAL REGULATIONS ARE IN PLACE.  
13 DURING THAT TIME IT WOULD BE A BIT DIFFICULT FOR THE  
14 BOARD TO MAKE SURE IT'S GOT THE PROPER PROCEDURES TO  
15 PROPERLY TAKE CARE OF THOSE FUNDS.

16 IN THE INTERIM, I THINK THE ONE-TIME EXPENSE  
17 OF MAYBE A COUPLE HUNDRED DOLLARS FOR THE OWNERS AND  
18 OPERATORS USING THOSE MECHANISMS MAY BE JUSTIFIED.

19 IF THERE ARE NO QUESTIONS, I'LL GO ON TO A  
20 THIRD OF MY FOUR ISSUES. AND THIS IS REQUESTING THAT  
21 SOME CLARIFICATION BE MADE ON WHO CAN ISSUE A CORPORATE  
22 GUARANTEE. AT ONE PLACE IN THE DISCUSSION OF THE  
23 GUARANTEE, IT MENTIONED THAT CORPORATE GUARANTEES COULD  
24 BE MADE BY CORPORATE PARENTS OR CORPORATE GRANDPARENTS OR  
25 CORPORATE SIBLINGS.



1                   FOR EXAMPLE, A CORPORATE SIBLING MIGHT BE  
2 WHERE COMPANY A OWNS BOTH COMPANIES B AND C. IN THIS  
3 CASE COMPANY C WOULD ISSUE A GUARANTEE TO COMPANY B. I  
4 THINK -- SO THAT IN ONE PART OF THE TEXT, IT DISCUSSES  
5 THAT GUARANTEES COULD BE ISSUED BY CORPORATE PARENTS,  
6 SIBLINGS, AND GRANDPARENTS, YET IN THE CERTIFICATION IT  
7 SAYS THAT THE GUARANTEE HAS TO BE ISSUED BY THE PARENT  
8 COMPANY. I THINK THE ISSUE NEEDS TO BE CLARIFIED IF THE  
9 BOARD PREFERS TO GO WITH GUARANTEES ISSUED BY A CORPORATE  
10 PARENT, THEN IT COULD BE RENAMED THE CORPORATE PARENT  
11 GUARANTEE.

12                   AND THEN THE ONLY ISSUE THAT WOULD REMAIN  
13 WOULD BE TO DEFINE WHO'S A CORPORATE PARENT, AND THERE IS  
14 A STRAIGHTFORWARD DEFINITION THAT A CORPORATE PARENT HAS  
15 TO OWN AT LEAST 50 PERCENT OF THE VOTING STOCK OF THIS  
16 SUBSIDIARY.

17                   THERE IS ONE -- I KNOW OF AT LEAST ONE  
18 FINANCIAL RESPONSIBILITY PROGRAM THAT DOES ALLOW  
19 GUARANTEES BY OTHER CORPORATE RELATIONS. IF THE BOARD  
20 ISN'T IN FAVOR OF THAT OPTION WHICH ALLOWS A FEW MORE  
21 INSTANCES WHERE GUARANTEES CAN BE USED, THE DEFINITION OF  
22 SUCH RELATIONA COULD BE TAKEN FROM THAT FEDERAL  
23 REGULATION.

24                   THE LAST ISSUE HAS TO DO WITH THE FINANCIAL  
25 MEANS TEST. THIS -- I'M NOT CERTAIN, BUT I WOULD GUESS



1 THERE'S MERELY BEEN A MISTAKE IN REPEATING THE TERMS OF  
2 THE TEST. THE TEST SEEMS TO GENERALLY BE TAKEN FROM A  
3 TEST DEVELOPED BY THE US ENVIRONMENTAL PROTECTION AGENCY  
4 AFTER CONSIDERABLE ECONOMIC AND STATISTICAL ANALYSIS.  
5 IT'S A TEST USED FOR HAZARDOUS WASTE LANDFILLS WHEN THEY  
6 APPLY LIABILITY COVERAGE FROM A FINANCIAL TEST.

7 THIS TESTS, NO. 1 AND 2 ON PAGE 34 OF MY  
8 DRAFT, WHICH IS -- I'M NOT CERTAIN WHAT DRAFT OF THE  
9 BOARD'S -- WHERE THE ACTUAL TERMS OF THE TEST ARE LISTED.  
10 ITEMS 1(A) AND 2(C) HAVE THIS MULTIPLE OF THREE TIMES NET  
11 WORTH AND CAPITAL AND TANGIBLE NET WORTH.

12 IN THE TEST DEVELOPED BY EPA IT USES A  
13 MULTIPLE OF SIX TIMES. I'M NOT CERTAIN WHY THERE'S A  
14 SLIGHT RELAXATION OF THE TEST. IF THE BOARD DOES WANT,  
15 FOR SOME REASON, A LESS STRINGENT TEST, I THINK FOR LEGAL  
16 REASONS, TO AVOID THE POTENTIAL OF A LEGAL CHALLENGE FOR  
17 HAVING A CHANGE IN THE TEST NOT BASED ON ANALYSIS, THAT  
18 THE BOARD NEEDS TO MAKE SURE THAT IT'S GOT A REASONABLE  
19 BASIS FOR THAT MODIFICATION OF THE TEST. IF IT'S MERELY  
20 A MISTAKE IN REPRODUCTION, THEN IT WOULD GO BACK TO THE  
21 SIX TIMES MULTIPLE.

22 THOSE ARE MY COMMENTS, AND I THANK THE BOARD.

23 CHAIRMAN BEAUTROW: THANK YOU, MR. BERG. DOES  
24 ANYBODY HAVE ANY QUESTIONS OF MR. BERG? THANK YOU.

25 WHY DON'T WE GO BACK THROUGH THE ONES THAT



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*barristers'*  
*reporting service*

1 SUBMITTED THE INITIAL SHEETS THIS MORNING AND SEE IF THEY  
2 ALSO HAVE COMMENTS ABOUT THIS PARTICULAR SECTION.

3 MR. ABERNETHY FROM GRCDA, DID YOU HAVE  
4 ANYTHING ON THIS SECTION?

5 MR. ABERNETHY: NO, THANK YOU.

6 CHAIRMAN BEAUTROW: MR. MARINO? HE'S NOT HERE.  
7 KENT STODDARD?

8 MR. STODDARD: MR. CHAIRMAN, MEMBERS OF BOARD. WE  
9 JUST HAVE A COUPLE OF QUICK COMMENTS ON THE FINANCIAL  
10 ASSURANCE SECTIONS. I MIGHT START -- THE PREVIOUS  
11 GENTLEMAN HAD INDICATED CONCERN ABOUT THE FINANCIAL MEANS  
12 TEST, WHICH IS ON PAGE 41 OF YOUR PACKAGE. POINTING OUT  
13 THE DISCREPANCY IN THE THREE TIMES AMOUNT OF LIABILITY  
14 COURAGE VERSUS THE SIX TIMES. I CAN'T COMMENT  
15 SPECIFICALLY ON THAT, BUT WE HAD A DIFFERENT CONCERN  
16 WHICH WAS UNDER SECTION J-1(A). IT DISCUSSES NETWORKING  
17 CAPITAL TANGIBLE NET WORTH AT LEAST THREE TIMES THE  
18 AMOUNT OF LIABILITY COVERAGE REQUIRED TO BE DEMONSTRATED.

19 WE THINK THE WORDS "LIABILITY COVERAGE" MAY  
20 HAVE BEEN USED INADVERTENTLY THERE. THESE REGULATIONS OR  
21 THESE GUIDELINES GO ONLY WITH THE COST OF CLOSURE AND  
22 POSTCLOSURE MAINTENANCE, NOT WITH LIABILITY COVERAGE  
23 THAT'S REQUIRED TO BE DEMONSTRATED. SO OUR ASSUMPTION IS  
24 THAT THAT MAY HAVE BEEN A TYPOGRAPHICAL ERROR AND THAT  
25 THAT SHOULD REFER TO THREE TIMES THE AMOUNT OF THE



1 POSTCLOSURE MAINTENANCE AND CLOSURE COSTS.

2 MS. TRGOVCICH: I'D JUST LIKE TO COMMENT THAT KEN  
3 IS CORRECT, AND WE WOULD CHANGE THAT TO THREE TIMES THE  
4 AMOUNT OF ESTIMATED COST OF CLOSURE AND 15 YEARS OF  
5 POSTCLOSURE MAINTENANCE.

6 MR. STODDARD: THAT'S FINE, THANK YOU.

7 THE SECOND COMMENT DEALS WITH THE ISSUE OF  
8 LETTERS OF CREDIT, WHICH IS A MAJOR CONCERN OF WASTE  
9 MANAGEMENT. WE FEEL THE REQUIREMENT THAT YOU HAVE TO  
10 PROVIDE A LETTER OF CREDIT WHICH IS GOOD FOR AT LEAST  
11 FIVE YEARS IS, IN EFFECT, POSSIBLY PRECLUDING THE USE OF  
12 LETTERS OF CREDIT BECAUSE OF THE DIFFICULTY IN SECURING A  
13 LETTER OF CREDIT FOR THAT LENGTH OF TIME.

14 I THINK EARLIER IN THE GUIDELINES THERE WAS  
15 SOME DISCUSSION OF THE DIFFICULTY IN GETTING LETTERS OF  
16 CREDIT FOR A LONG PERIOD OF TIME. WE THINK THE FIVE-YEAR  
17 REQUIREMENT COULD EFFECTIVELY PRECLUDE THE USE OF THAT  
18 MECHANISM.

19 WHAT WE WOULD SUGGEST AS AN ALTERNATIVE WOULD  
20 BE A ONE-YEAR LETTER OF CREDIT WITH A REQUIREMENT FOR AN  
21 ANNUAL RENEWAL THAT YOU SIMPLY HAVE TO SUBMIT EVERY YEAR  
22 EVIDENCE THAT YOUR LETTER OF CREDIT HAS BEEN EXTENDED AND  
23 FAILURE TO DO SO WOULD BE A VIOLATION UNDER THESE  
24 GUIDELINES, OR YOU HAVE TO COME UP WITH AN ALTERNATIVE  
25 FINANCIAL MECHANISM.



1 WE ALSO THINK THAT TAKES CARE OF THE PROBLEM  
2 OF HAVING TO FRONT LOAD LETTERS OF CREDIT FOR THE ENTIRE  
3 AMOUNT OF THE ULTIMATE CLOSURE AND POSTCLOSURE  
4 MAINTENANCE COSTS. IF YOU HAD AN ANNUAL UPDATE OF THAT  
5 LETTER OF CREDIT, IT COULD BE AN INCREMENTAL BUILDING  
6 CONSISTENT WITH THE OTHER FINANCIAL MECHANISMS THAT ARE  
7 BEING USED HERE. I DON'T THINK IT WAS THE INTENT OF THE  
8 LEGISLATURE, AND I HOPE NOT THE INTENT OF THE BOARD, TO  
9 REQUIRE ANY OF THE FINANCIAL MECHANISMS TO REQUIRE FRONT  
10 LOADING FOR ALL COSTS. THAT'S A VERY EXPENSIVE WAY TO GO  
11 IF YOU ARE LOOKING 30 YEARS DOWN THE ROAD FOR THESE COSTS  
12 TO ACTUALLY BE INCURRED. SO WE THINK BOTH PROBLEMS COULD  
13 BE TAKEN CARE OF WITH THE ANNUAL RENEWAL OF A LETTER OF  
14 CREDIT.

15 BOARD MEMBER BROWN: IF I HEARD STAFF CORRECTLY  
16 EARLIER, THOUGH, IT WAS THEIR RECOMMENDATION TO HAVE FULL  
17 FUNDING IN AREAS WHERE THERE WAS NO ACTUAL MONEY BEING  
18 PUT ASIDE, AND SO THAT WOULD SEEM TO ME TO SAY THAT THE  
19 LETTER OF CREDIT WOULD FALL INTO THOSE COMMENTS.

20 MR. STODDARD: THAT'S OUR CONCERN. OUR FEELING ON  
21 THAT IS THAT A LETTER OF CREDIT IS A CONTRACTUAL  
22 GUARANTEE AND IS ONLY SECURED AT COST. I MEAN, YOU BUY A  
23 LETTER OF CREDIT. TO BE FORCED TO BE IN THAT POSITION  
24 BECAUSE YOU SELECT A LETTER OF CREDIT AS YOUR FINANCIAL  
25 MECHANISM, TO HAVE TO BUY THAT LETTER OF CREDIT TO COVER



1 THE ENTIRE COST UP FRONT, ONE YEAR, FOREVER IS A  
2 SUBSTANTIAL PENALTY TO PAY FOR THE SELECTION OF THAT  
3 MECHANISM, WHEN, IN FACT, I THINK THAT MECHANISM IS AS  
4 SOLID AS MANY OF THE OTHERS THAT ARE BEING PROVIDED AND  
5 AUTHORIZED IN THE GUIDELINES.

6 SO WE THINK THE NOTION OF MAKING AN ANNUAL  
7 DEPOSIT OR AN ANNUAL GUARANTEE EQUAL TO THE RATIO OF COST  
8 NECESSARY TO GET THE ADEQUATE RESOURCES AT THE END WHEN  
9 YOU NEED TO CONDUCT YOUR CLOSURE ACTIVITIES IS A  
10 PHILOSOPHY THAT OUGHT TO BE CONSISTENT THROUGHOUT ALL OF  
11 THESE, PROVIDED THAT YOU ARE GUARANTEEING THAT THOSE  
12 FUNDS ARE BEING MADE AVAILABLE, AND THAT CAN CERTAINLY BE  
13 DONE THROUGH A LETTER OF CREDIT.

14 CHAIR BEAUTROW: THANK YOU. JOE MAGEE, SAN DIEGO.

15 MR. MAGEE: THANK YOU. JIM --

16 CHAIRMAN BEAUTROW: EXCUSE ME. JIM MAGEE.

17 MR. MAGEE: AGAIN, I WANT TO REITERATE. I THINK  
18 THAT THE GUIDELINES AS THEY'RE CURRENTLY WRITTEN THAT SAN  
19 DIEGO, AT LEAST, IS HOPING TO IMPLEMENT THE REQUIREMENT  
20 TO HAVE THE MECHANISM IN PLACE BY JANUARY 1. TO STAND  
21 ANY CHANCE OF DOING THAT IS PREDICATED UPON TWO THINGS:  
22 ONE, THAT THING I TALKED EARLIER ABOUT, THE REALIZATION  
23 THAT THE COST ESTIMATE IS TRULY AN ESTIMATE, AND THAT WE  
24 WON'T GO BACK AND FORTH A NUMBER OF TIMES ON THAT.

25 THE OTHER ONE IS THAT THE FINANCIAL MECHANISM



1 ACCORDING TO COUNTY COUNSEL, THE BOARD OF  
2 SUPERVISORS OF SAN DIEGO COUNTY HAS A LOT OF DIFFICULTY  
3 OR CANNOT PRECOMMIT A FUTURE BOARD OF SUPERVISORS;  
4 HOWEVER, THE STATE LAW AND YOUR BOARD CAN. WE WOULD  
5 SUGGEST THAT YOU USE THE SAME MECHANISMS THAT ARE  
6 ESTABLISHED AND IN PLACE AND HAS HISTORICALLY WORKED.  
7 FOR INSTANCE, IN THE ROAD FUND THERE IS NO PROCEDURAL  
8 MECHANISM TO KEEP THE BOARD OF SUPERVISORS FROM USING  
9 THAT MONEY FOR OTHER PURPOSES. THERE IS A LEGAL  
10 RESTRICTION FROM THEM DOING THAT, AND THAT HAS  
11 HISTORICALLY WORKED WELL.

12 YOUR BOARD IS JUST NOW AND THE LEGISLATURE IS  
13 JUST NOW PUTTING A LEGAL RESTRICTION ON THE USE OF THESE  
14 FUNDS. BOTH COUNTY COUNSEL AND THE AUDITOR AND  
15 CONTROLLER ARE OF THE OPINION THAT THE -- ACTUALLY THE  
16 STRONGER MECHANISM IS THE LEGAL MECHANISM, THAT YOU SAY  
17 IT IS ILLEGAL TO USE THESE FUNDS OR THOU SHALT NOT.

18 AS WE ESTABLISH THAT RESERVE, WE OUGHT TO HAVE  
19 THE BOARD OF SUPERVISORS ESTABLISH IT -- WE WOULD -- AND  
20 THE BOARD DOES THINGS LIKE EVERYTHING -- IT'S A BUNCH OF  
21 WHEREASES AND THEREFORES -- WE WOULD REFERENCE IN THE  
22 WHEREASES THE FACT THAT THERE IS A STATE LAW THAT  
23 REQUIRES THIS BE SET UP FOR THIS UNIQUE PURPOSE, THAT  
24 THERE IS ADMINISTRATIVE LAW THAT YOUR BOARD WILL CREATE  
25 THROUGH REGULATIONS THAT ESTABLISHES THAT THIS BE USED



1 THAT WE MUST SET UP BE AN ESTABLISHED MECHANISM THAT WE  
2 UNDERSTAND AND CAN RAPIDLY SET UP. TO SET THE STAGE, SAN  
3 DIEGO COUNTY, AS INDICATED, ESTABLISHED AN ENTERPRISE  
4 FUND IN 1982 TO OPERATE THE SOLID WASTE DIVISION. THE  
5 LANDFILLS IN SAN DIEGO, ALL OF OUR SOLID WASTE PROGRAM,  
6 IS COMPLETELY USER FUNDED. WE DO NOT RECEIVE ANY INCOME  
7 AT ALL FROM THE GENERAL FUND.

8 WE CURRENTLY HAVE TWO RESERVE ACCOUNTS  
9 ESTABLISHED THAT WE PUT MONEY INTO EACH YEAR FOR  
10 DIFFERENT PURPOSES. ONE OF THEM IS FOR THE PURPOSE OF  
11 ACQUIRING NEW CAPACITY. THE -- WHAT WE WOULD PROPOSE AND  
12 THAT WE CAN ACTUALLY SET UP IS ANOTHER RESERVE FUND THAT  
13 WE WOULD PUT THE ESTIMATED AMOUNT THAT WE NEED EACH YEAR  
14 THAT WE WOULD IDENTIFY THAT AMOUNT OF MONEY TO GO INTO  
15 THAT RESERVE FUND UNDER THE ENTERPRISE FUND.

16 WE WOULD STRONGLY SUGGEST THAT YOUR BOARD, AS  
17 IT LOOKS AT ENTERPRISE FUNDING AND LOOKS AT PUBLIC AGENCY  
18 FUNDING, CAREFULLY CONSIDER THE NECESSITY OF ADDING  
19 ADDITIONAL AND USUAL PROCEDURAL GUARANTEES. YOUR BOARD  
20 HAS DISCUSSED THE PROBLEM OF COMMITTING FUTURE BOARDS OF  
21 SUPERVISORS. I HAVE DISCUSSED, AS I MENTIONED, WITH OUR  
22 COUNTY COUNSEL AND WITH THE AUDITOR AND CONTROLLER HOW WE  
23 COULD SET UP A MECHANISM THAT WOULD SATISFY THE  
24 REQUIREMENTS OF THE LAW AND THE REQUIREMENTS OF THE  
25 REGULATIONS AS WE CURRENTLY SEE THEM.



1 FOR ONLY THOSE PURPOSES; THEREFORE, NOW THE BOARD OF  
2 SUPERVISORS ESTABLISHES THIS FUND FOR THAT PURPOSE. THAT  
3 IS CONSISTENT WITH THE WAY OTHER THINGS HAVE OCCURRED  
4 HISTORICALLY WITHOUT PROBLEM AND WE KNOW HOW TO SET THAT  
5 UP.

6 IF ANOTHER ONE, A CONTRACT OF OBLIGATION OR AN  
7 UNUSUAL PROCEDURAL MECHANISM IS REQUIRED, WE NEED TO SET  
8 IT UP AND COME TO UNDERSTAND IT, THAT ITSELF WILL MOST  
9 LIKELY PRECLUDE OUR BEING ABLE TO ESTABLISH THE FUND BY  
10 JANUARY 1, AND QUITE FRANKLY OUR GOAL IS TO MEET THE  
11 LEGAL REQUIREMENT.

12 THE -- IN SUPPORT OF THAT, WE WOULD RECOMMEND  
13 THAT IF AN ENTERPRISE FUND IS SET UP, AS WE PROPOSE TO  
14 DO, THAT YOUR BOARD IN THE REGULATIONS SETTING IT UP  
15 REQUIRES, AS THE ROAD FUND DOES, AN ANNUAL AUDIT AND/OR  
16 THE SUBMISSION OF A FINANCIAL STATEMENT. FOR INSTANCE,  
17 THE COUNTY'S INTEGRATED FINANCIAL STATEMENT COVERS OUR  
18 ENTERPRISE FUND AND COVERS THE EXISTING RESERVE ACCOUNTS  
19 AND DETAILS THE ACTIVITY IN THOSE ACCOUNTS SO THAT AT THE  
20 END OF EACH YEAR, ONCE THE AUDITOR ACTUALLY GETS THE  
21 FINANCIAL REPORT PREPARED, WE COULD SUBMIT THAT AND IT  
22 WOULD CLEARLY IDENTIFY WHAT KIND OF ACTIVITY HAD OCCURRED  
23 IN THAT ACCOUNT.

24 THE LEGAL RESTRICTION THEN KEEPS US -- THE  
25 AUDITOR AND CONTROLLER DOESN'T WANT TO GO TO JAIL, SO IT



1       KEEPS THE COUNTY FROM INAPPROPRIATELY USING THE ACCOUNTS.  
2       AS I SAID, WE THINK THAT IS ACTUALLY, BY FAR AND AWAY,  
3       THE EASIEST WAY FOR US TO SET UP PROCEDURALLY AND, QUITE  
4       FRANKLY, POLITICALLY.  EVEN IF WE COME UP WITH WITH A  
5       PROCEDURE TO OBLIGATE THE FUTURE BOARDS, IT'S POLITICALLY  
6       DIFFICULT TO GO TO A BOARD OF SUPERVISORS AND SAY, "WE  
7       WANT YOU TO ADOPT THIS BECAUSE WE DON'T TRUST YOU OR  
8       BECAUSE THE STATE DOESN'T TRUST YOU."  WHEREAS, IT'S MUCH  
9       EASIER AND MUCH MORE STRAIGHTFORWARD AND SIMPLE TO GO TO  
10      THEM AND SAY THE STATE HAS REQUIRED LEGALLY THAT THIS BE  
11      SET UP AND THAT IT BE USED ONLY FOR THAT, AND THIS NORMAL  
12      PROCEDURE THAT YOU ARE USED TO SETTING UP WILL  
13      ACCOMMODATE THAT AND PLACES THE RESTRICTIONS ON IT.

14                 SO WE WOULD MUCH RATHER SEE THE PROHIBITIONS  
15      AGAINST DIVERSION DONE THROUGH BOTH THE STATUTE LAW THAT  
16      EXISTS AND THE ADMINISTRATIVE LAW THAT YOU WANT TO BE  
17      ADOPTING BY JULY BE THE PROTECTION RATHER THAN THE  
18      UNUSUAL PROCEDURAL MECHANISMS.

19                 WE WOULD SET OURS UP WITHOUT THE LOANING AND  
20      THE COMINGLING.  I THINK IT WOULD BE DIFFICULT,  
21      ESPECIALLY SINCE WE ALREADY HAVE AN ENTERPRISE FUND SET  
22      UP WITH OTHER POTS, IF YOU WILL, THAT WE ALREADY ARE  
23      ALLOCATING MONEY FOR THE OPENING OF NEW LANDFILLS, AND WE  
24      THINK IDENTIFYING THOSE FUNDS AND SEPARATELY ACCUMULATING  
25      THOSE IS A MORE APPROPRIATE MEANS THAN TRYING TO BORROW



1 FROM THE CLOSURE FUNDS. IT CLEANLY SEPARATES THE MONEY  
2 AND IT JUST MAKES THE ADMINISTRATION OF IT A LOT EASIER.

3 WE WOULD, AGAIN, RECOMMEND AGAINST THE COMMON  
4 FUND THAT HAD BEEN DISCUSSED BEFORE BECAUSE OF THE  
5 PROBLEM OF AS LONG AS WE'RE SETTING UP A FUND WHERE IT IS  
6 OUR OWN MONEY, IF WE OVERESTIMATED, IT'S NOT A PROBLEM.  
7 THAT IS, WE CAN LATER, WITH THE CLOSURE PLANS AS THEY'RE  
8 APPROVED, MAKE ANY ADJUSTMENTS. AND WE'RE JUST BASICALLY  
9 PUTTING IT IN OUR OWN BANK ACCOUNT; WHEREAS, IF IT WERE A  
10 GIANT POT FOR EVERYBODY, IT WOULD BE VERY DIFFICULT TO  
11 GET ANY OVERAGE OUT, AND THERE WOULD BE A TREMENDOUS  
12 INCENTIVE ON EVERYBODY'S PART TO UNDERESTIMATE THEIR  
13 CLOSURE COSTS.

14 THANK YOU.

15 CHAIRMAN BEAUTROW: ANY QUESTIONS? THANK YOU.

16 MS. REPORTER: THE REPORTER WOULD LIKE A BREAK.

17 CHAIRMAN BEAUTROW: OKAY. LET ME JUST ASK MR.  
18 PELSNER OR MR. NELSON IF THEY HAVE ANY COMMENTS ON THIS  
19 SECTION? YOU DO, OKAY. MR. PELSNER?

20 MR. PELSNER: NO.

21 CHAIRMAN BEAUTROW: MR. NELSON FROM RIVERSIDE  
22 COUNTY.

23 MR. NELSON: BOB NELSON AGAIN FROM RIVERSIDE  
24 COUNTY. I HAVE PERHAPS A UNIQUE SITUATION AND MAYBE NOT.  
25 I'M NOT SURE. WE HAVE SIX OF OUR SITES OR WHAT WE CALL



1 LAND USE FEE SITES, AND WE DON'T ACTUALLY COLLECT A FEE  
2 AT THE GATE, BUT WE SEND OUT AN ANNUAL ASSESSMENT TO THE  
3 PROPERTY OWNERS, WHO BY AN ORDINANCE THAT THE BOARD HAS  
4 ADOPTED BENEFIT FROM HAVING THIS LANDFILL IN THEIR AREA.  
5 THESE ARE IN OUR MORE REMOTE PARTS OF THE COUNTY OF  
6 BLYTHE, EAGLE MOUNTAIN, ANZA, ETC. THEY ARE VERY SMALL  
7 OPERATIONS AND DO NOT HAVE A VERY HIGH VOLUME; THEREFORE,  
8 THE TOTAL REVENUE FROM THESE SITES IS PERHAPS ON THE  
9 ORDER OF 5 TO 10 PERCENT OF OUR TOTAL REVENUE STREAM TO  
10 THE LANDFILL OPERATION FOR A TOTAL SYSTEM OF ABOUT 13  
11 SITES.

12 THE ASSESSMENT ROLLS FOR THOSE LAND USE SITES  
13 HAS TO BE SUBMITTED BY LAW BY AUGUST 15TH, AND THOSE  
14 ROLLS HAVE ALREADY GONE OUT BY AN ORDINANCE THE BOARD  
15 ADOPTED A MONTH OR TWO AGO, AND THAT, THEN, SETS THE  
16 ASSESSMENT THE TAXPAYERS WILL PAY IN DECEMBER AND NEXT  
17 SPRING. THEIR SEMIANNUAL TAX PAYMENT COMES OFF THOSE  
18 ROLLS.

19 IT HAD BEEN OUR INTENT TO REFLECT THESE  
20 INCREASES IN THE NEXT ANNUAL ASSESSMENT, NOT IN THE ONE  
21 THAT'S ALREADY GONE OUT. THE INCREASE FOR CLOSURE HAS  
22 NOT BEEN CALCULATED FOR THOSE LITTLE SITES AND,  
23 THEREFORE, NO ASSESSMENT HAS BEEN COMPUTED AND SET FOR  
24 THOSE SITES AS OF THIS DATE. NONETHELESS, IT'S BEEN OUR  
25 COUNTY'S INTENT TO COMPLY WITH THE LAW. AND THE WAY THAT



1 WE THOUGHT WE WERE GOING TO DO IT IS TO USE THE GATE FEE  
2 CHARGE, WHICH WE HAVE ALREADY SET BACK IN MAY AND BEGAN  
3 COLLECTING TEN DAYS AGO AT THE RATE OF A DOLLAR FORTY  
4 CENTS TIPPING FEE PER TON, WHICH FUND, IN AND OF ITSELF,  
5 IS SUFFICIENT, IF TREATED ON THE WHOLE, WILL GIVE US THE  
6 CASH FLOW NEEDED TO MEET OUR CLOSURE COSTS ON THE ENTIRE  
7 SYSTEM, WE THINK AT THIS POINT, AT LEAST.

8 MY POINT IN BRINGING THIS UP IS THAT WHEN WE  
9 SUBMIT OUR JANUARY PLAN AND IT DOES NOT INCLUDE, QUOTE, A  
10 SPECIFIC REVENUE STREAM FROM THESE SIX SMALL SITES, BUT  
11 DOES INCLUDE A REVENUE STREAM FROM THE LARGER SITES,  
12 WHICH FOR A SHORT PERIOD OF TIME HAVE TO TIDE OVER THE  
13 TOTAL REVENUE STREAM FOR THE WHOLE SYSTEM, I WANT YOU TO  
14 INTERPRET THAT AS BEING SUFFICIENT AND ADEQUATE. AND BY  
15 AUGUST OF NEXT YEAR, WE WILL LAY ON THE ASSESSMENT FOR  
16 THOSE SMALL SITES IN THE FOLLOWING YEAR.

17 CHAIRMAN BEAUTROW: WELL, YOU DESCRIBED ONE UNIQUE  
18 SITUATION. I'M SURE THERE ARE A LOT OF OTHERS THAT WE  
19 HAVEN'T EVEN HEARD OF YET.

20 MR. NELSON: WE ARE INTENDING TO COMPLY, IN OUR OWN  
21 UNIQUE WAY, I GUESS, BUT IT JUST POINTS OUT SOME OF THE  
22 DIFFICULTIES YOU HAVE IN TRYING TO REVEAL ALL OF THE  
23 VARIATIONS THAT YOUR TEAMS ARE GOING TO RUN INTO IN  
24 FINANCIAL MECHANISMS DEEMED APPROPRIATE. AND IT'S HARD TO  
25 WRITE ALL DOWN. AND I THINK AS LONG AS WE ALL KEEP IN



1 MIND THESE ARE GUIDELINES AND THERE MAY BE WAYS TO BUILD  
2 THIS MACHINE THAT WE HAVEN'T EVEN THOUGHT OF OR WRITTEN  
3 DOWN; AND WHEN THESE THINGS COME IN, SO LONG AS THE  
4 INTENT IS CLEAR THAT THE AGENCY OR OWNER IS TRYING TO  
5 MEET THE FUNDING NEEDS IN THEIR OWN UNIQUE WAYS THAT  
6 GIVES GOOD COMMITMENTS, THAT'S WHAT YOU WANT TO ACHIEVE,  
7 AND I WANT TO BE SURE TO GET OUR UNIQUE SITUATION ON THE  
8 RECORD FOR THAT.

9 CHAIRMAN BEAUTROW: THANK YOU.

10 MS. TRGOVCICH: I'D JUST LIKE TO FOLLOW UP ON THAT  
11 VERY BRIEFLY, FOR THE BENEFIT OF THE AUDIENCE, THAT WE  
12 TRIED TO INCLUDE IN THIS VERSION OF THE GUIDELINES AND WE  
13 CAN MAKE IT MORE CLEAR BY A SIMPLE STATEMENT THAT IF YOU  
14 HAVE ANOTHER MECHANISM, AND WE SHOULD APPLY THIS AS WELL  
15 TO UNIQUE SITUATIONS, THAT WE ENCOURAGE THE FACILITIES TO  
16 CONTACT US PRIOR TO JANUARY 1, PREFERABLY AS SOON AS  
17 POSSIBLE, SO THAT WE CAN BE AWARE OF THESE SITUATIONS.

18 RIVERSIDE COUNTY DOES HAVE AN UNUSUAL  
19 SITUATION, AND THEY ARE PROHIBITED IN CERTAIN  
20 CIRCUMSTANCES. AND SO WE WOULD MAKE THAT STATEMENT A BIT  
21 STRONGER IN THE GUIDELINES, THAT THESE CIRCUMSTANCES  
22 WOULD WARRANT DISCUSSION WITH THE STAFF SO THAT THE STAFF  
23 IS AWARE PRIOR TO JANUARY 1 AND THE STAFF CAN INDICATE  
24 WHETHER OR NOT THE SPECIFIC CIRCUMSTANCES MAY WARRANT  
25 SOME SORT OF DEVIATION. BUT WE WOULD MAKE THAT STATEMENT



1 FAR MORE EXPLICIT IN THE GUIDELINES, THAT FACILITIES  
2 SHOULD CONTACT US PRIOR TO JANUARY 1.

3 MR. MAGEE: EXCUSE ME. JIM MAGEE, AGAIN. ONE  
4 OTHER ITEM THAT YOUR BOARD NEEDS TO CONSIDER THAT I  
5 HAVEN'T HEARD THAT DISCUSSED -- I WILL SHORTLY WITH  
6 STAFF -- AND THAT IS, AS YOU ARE WELL AWARE, WE ARE  
7 WITHIN A VERY TIGHT WINDOW TO GET THESE THINGS  
8 ESTABLISHED ON JANUARY 1, ESPECIALLY FOR US IN THE PUBLIC  
9 SECTOR WHICH MUST DEAL WITH DOCKETING AND LEAD TIMES TO  
10 GET ONTO BOARD AGENDAS AND 30-DAY IMPLEMENTATION ORDERS.

11 ONE OF THE CONCERNS THAT WE HAVE IS UPON  
12 PREPARING THE ESTIMATE, QUITE FRANKLY, TO HIT THAT TIME  
13 FRAME. I CAN ALMOST DO IT AND IT LOOKS DOABLE, BUT IT  
14 ALLOWS ABSOLUTELY ZERO TIME FOR YOUR STAFF TO REVIEW IT.  
15 THAT IS, IF I SUBMIT THE EVIDENCE, THE ESTIMATE TO YOUR  
16 STAFF, ON ALMOST THE NEXT DAY I MUST BE BEGINNING TO MAKE  
17 THE DOCKETING PROCEDURE TO GET IT TO THE BOARD OF  
18 SUPERVISORS TO THEN SET UP THE FUNDING MECHANISM.

19 AND SO I'M SOMEWHAT CONCERNED ABOUT STAFF  
20 REVIEW. IF THERE'S NO PROBLEM SUBMITTING AN ESTIMATE AND  
21 THEN CRASHING AHEAD AND GETTING SOMETHING ESTABLISHED ON  
22 JANUARY 1, OR IF WE MUST WAIT UNTIL WE GET A REVIEW OF  
23 THE ESTIMATE BEFORE, IF WE GET INTO THAT MODE, THEN I  
24 HAVE REAL CONCERNS, AND DON'T BELIEVE IT WILL BE POSSIBLE  
25 TO ESTABLISH IT IN TIME. AS LONG AS WE COULD GO WITH THE



1 FIRST SHOT AND LATER ADJUST IT, I THINK BECAUSE OF THE  
2 TIME FRAME WOULD BE MY RECOMMENDATION.

3 CHAIRMAN BEAUTROW: I THINK IT WAS EXPRESSED  
4 EARLIER, IF I'M NOT MISTAKEN, THAT WE'RE GOING TO DO THE  
5 BEST WE CAN TO WORK WITH ALL THESE --

6 MR. ORR: THAT'S CORRECT.

7 CHAIRMAN BEAUTROW: -- ENTITIES. AND IF YOU'VE GOT  
8 ANY OTHER --

9 MR. ORR: LET ME JUST SAY THAT IN TERMS OF WHAT IS  
10 REQUIRED OF THESE INITIAL CERTIFICATIONS IS THAT WHERE  
11 THERE IS NOT AN OFFICIAL APPROVAL OF THEM, WHERE THERE'S  
12 NOT A REVIEW AND COMMENT AND SORT OF AN INTERACTION AT  
13 THAT POINT IN TIME, THAT MORE DETAILED EXAMINATION WILL  
14 OCCUR WHEN THE CLOSURE PLANS ARE SUBMITTED FOR APPROVAL.

15 WHAT WE SORT OF ENVISION IN TERMS OF  
16 EVALUATING THESE CERTIFICATIONS WOULD BE, FIRST OF ALL,  
17 ARE THEY SUBMITTED TO US, AND WE WILL SEE WHAT PERCENTAGE  
18 OF THOSE THAT WE RECEIVE AND WE WILL WORK WITH THE  
19 OPERATORS TO FACILITATE THAT HAPPENING.

20 THE SECOND THING IS THAT WE PLAN ON LOOKING AT  
21 THE ESTIMATES TO DETERMINE A RANGE OF REASONABLE COSTS,  
22 AND WE PLAN ON LOOKING AT SORT OF THE WHOLE BULK OF THE  
23 CERTIFICATIONS THAT ARE SUBMITTED AND SEEING WHAT VARIOUS  
24 COSTS ARE SUBMITTED FOR THESE ITEMS. AND MAYBE BEING ABLE  
25 TO DETERMINE WHAT FACTORS MIGHT CAUSE FOR SOME VARIATIONS



1 IN THOSE COSTS AND SORT OF RED FLAGGING THINGS THAT DON'T  
2 LOOK QUITE RIGHT.

3 THEN THE OTHER THING WOULD BE SOME PERCENTAGE  
4 OF AUDITING OR LOOKING AT SOME AT RANDOM TO GET A BETTER  
5 IDEA OF WHAT ACTUALLY WAS DONE IN TERMS OF THE COST  
6 ESTIMATES. SO IN TERMS OF WHAT THAT MEANS FOR A  
7 PARTICULAR CASE IS THAT -- THAT YOU DO NEED TO TAKE,  
8 BASICALLY, YOUR BEST SHOT USING THE GUIDELINES AND THE  
9 ASSISTANCE THAT IS PROVIDED TO YOU TO COMPLETE THOSE  
10 CERTIFICATIONS. AND THEN WE'LL BE FOLLOWING IT UP IN THE  
11 EVALUATION PROCESS, AS I LAID OUT, AND THEN LATER ON  
12 THEY'LL BE LOOKED AT IN DETAIL WHEN THE CLOSURE PLANS ARE  
13 SUBMITTED, AND THEY'LL NEED TO BE ADJUSTED AND SO FORTH  
14 AT THAT TIME.

15 MR. MAGEE: AS LONG AS WE UNDERSTOOD THAT WE DIDN'T  
16 HAVE TO WAIT FOR APPROVAL BEFORE WE CAN BEGIN THE PROCESS  
17 OF SETTING UP THE FINANCIAL MECHANISM.

18 CHAIRMAN BEAUTROW: IS THERE ANY OTHER MEMBER OF  
19 THE AUDIENCE THAT HAS NOT HAD A CHANCE TO COMMENT THAT  
20 WOULD LIKE TO DO SO? OKAY, IN THE INTEREST OF OUR  
21 RECORDING SECRETARY, COULD WE SUMMARIZE WHAT WE HAVE  
22 HEARD IN THE LAST THREE AND A HALF HOURS AND VERY QUICKLY  
23 AND THEN ASK OTHER MEMBERS OF THE BOARD TO MAKE ANY  
24 COMMENTS, AND THEN I GUESS OUR OBJECTIVE HERE IS TO  
25 OBTAIN APPROVAL TO MOVE AHEAD WITH THIS.



1 MR. ORR: THAT'S CORRECT. WHAT I WOULD LIKE TO DO  
2 IS JUST TO FRAME THE SUMMARY THAT WE'VE HEARD BOTH FROM  
3 THE SPEAKERS, AND WE'VE TRIED TO PUT IT IN THE LIGHT THAT  
4 THESE ARE, IN FACT, GUIDELINES. AND THE PRIMARY PURPOSE  
5 OF THESE GUIDELINES IS A TOOL TO BE USED BY THE OPERATORS  
6 TO MEET THEIR STATUTORY OBLIGATIONS. THESE ARE NOT  
7 REGULATIONS AIMED AT FACILITATING COMPLIANCE WITH THE  
8 ENTIRE PROGRAM THAT WE'LL BE UNDERTAKING, BUT ONE SMALL  
9 REQUIREMENT, THE VERY FIRST REQUIREMENT UNDER AB 2448.

10 THERE IS A GREAT AMOUNT OF URGENCY ASSOCIATED  
11 WITH THESE GUIDELINES IN THAT THE DATE OF THE  
12 CERTIFICATION IS NOT FLEXIBLE AND NOT TIED TO WHEN WE  
13 ADOPT THESE GUIDELINES. AND SO WE THINK IT'S VERY  
14 IMPORTANT TO GET SOMETHING OUT ON THE STREET FOR THE  
15 PEOPLE TO USE, AND I THINK THAT'S REFLECTED IN PART BY  
16 THE RESPONSE WE'VE RECEIVED FOR THAT COMPUTER DISK, THAT  
17 PEOPLE ARE ANXIOUS TO GET STARTED AND TO HAVE A FRAMEWORK  
18 THAT THEY CAN START PREPARING THEIR INITIAL COST  
19 ESTIMATES AND PURSUE THE ESTABLISHMENT OF THEIR FINANCIAL  
20 MECHANISM. I BELIEVE THAT HAVING THESE GUIDELINES WILL  
21 BE TRULY A BENEFIT TO THE OPERATORS IN COMPLYING WITH THE  
22 LAW.

23 IN TERMS OF GOING THROUGH THE SPECIFIED  
24 CHANGES, I'M GOING TO HAVE CAREN AND KIM SUMMARIZE THE  
25 PROPOSED CHANGES THAT WE WOULD MAKE. SPECIFIED CHANGES TO



1 THE DOCUMENT, THAT HOPEFULLY WOULD ALLOW YOUR APPROVAL,  
2 AND THAT WITH A GENERAL CAVEAT THAT A LOT OF THESE ISSUES  
3 THAT WE'VE HEARD TODAY ARE BEYOND THE SCOPE OF THIS  
4 SINGLE GUIDANCE DOCUMENT, THAT DURING THE REGULATIONS  
5 APPROVAL PROCESS THERE WILL BE ADDITIONAL OPPORTUNITIES,  
6 BOTH THROUGH WORKSHOPS, BOTH IN INFORMAL AND FORMAL EOE  
7 PROCEEDINGS, TO HASH OUT THESE ISSUES FURTHER.

8 AND SO WITH THAT, I'D LIKE TO TURN IT --

9 CHAIRMAN BEAUTROW: LET ME JUST PAUSE THERE A  
10 MINUTE. I KNOW GINGER DIDN'T HAVE THE OPPORTUNITY TO BE  
11 HERE, BUT I CAN'T IMAGINE THAT YOU ARE GOING TO REHASH  
12 EVERYTHING THAT WE'VE HEARD AGAIN. WHAT IS THE FORM OF  
13 YOUR SUMMARY?

14 MS. TRGOVCICH: WHAT I WOULD JUST INTEND TO DO  
15 RIGHT HERE IS TO TELL YOU THE CHANGES THAT HAVE BEEN  
16 PROPOSED AND JUST SO WE HAVE IT ON THE RECORD SO THAT THE  
17 BOARD KNOWS WHAT THEY'RE APPROVING OR NOT, WITH THE  
18 CHANGES THAT WOULD BE INCLUDED IN THE DOCUMENTS ONCE THE  
19 MEETING IS ADJOURNED AND WE COULD GO BACK AND MAKE THOSE  
20 CHANGES. I WOULD DO IT VERY QUICKLY.

21 THE FIRST CHANGE APPEARS THAT THE BOARD  
22 CONCURRED WITH WAS TO ALLOW THAT A TRUST FUND BE  
23 ESTABLISHED ON A PRIVATE LEVEL AS WELL, PROVIDED THAT THE  
24 BOARD BE REQUIRED TO COSIGN ANY WITHDRAWAL OF THE FUNDS.

25 THE NEXT ADDITION IS THE ADDITION OF A



1 CERTIFICATE OF PARTICIPATION, AS WE DISCUSSED EARLIER, AS  
2 A METHOD.

3 THE NEXT CHANGE WOULD BE UNDER THE FINANCIAL  
4 MEANS TEST TO CHANGE THAT ONE "AND" TO "OR," WHICH WE  
5 DISCUSSED EARLIER ON THE LAST SENTENCE OF THE  
6 INTRODUCTORY PARAGRAPH.

7 THE NEXT SECTION THAT WE WOULD LEAVE AS IS IS  
8 THE SECTION AS FAR AS THE ENTERPRISE FUND, THAT IT MUST  
9 BE INVIOATE AND THAT WE WILL STUDY, AS COUNSEL INDICATED  
10 EARLIER, THE ABILITY OF THE COUNTY TO OBLIGATE THOSE  
11 FUNDS IN TERMS OF FUTURE BOARDS OF SUPERVISORS OR CITY  
12 COUNCILS.

13 IN TERMS OF MIXING OF THE OPERATING AND  
14 CLOSURE COSTS, WE WILL KEEP THE WORDING AS IS RIGHT NOW,  
15 NOT ALLOWING THAT, BUT STUDY IT OVER THE COMING MONTHS  
16 FOR EITHER INCLUSION OR NOT IN THE REGULATIONS.

17 WE WOULD ALLOW THE COUNTIES AT THEIR  
18 DISCRETION, UNDER A CONTRACTUAL AGREEMENT, TO REQUIRE THE  
19 CONTRACT OPERATOR TO ESTABLISH THE TRUST FUND, BUT WITH  
20 THE PROVISION THAT THE -- IT IS THE LEGAL OPERATOR THAT  
21 IS ULTIMATELY RESPONSIBLE.

22 WE WOULD ALLOW THE COMBINATION OF TWO OR MORE  
23 MECHANISMS TO BE UTILIZED UNDER THE CERTIFICATION. AND I  
24 DO AGREE WITH MIKE BERG'S STATEMENT THAT YOU -- WHEN YOU  
25 USE A COMBINATION OF MECHANISMS, THAT YOU NEED TO HAVE



1 SPECIFIC WORDING AS FAR AS THE FINANCIAL AREAS CONCERNED,  
2 AND WE WILL WORK WITH THEM ON THAT SPECIFIC WORDING.

3 THE BUILDUP PERIOD SHOULD APPLY TO THE TRUST  
4 FUNDS AND ENTERPRISE FUNDS. THE CONTRACT OF OBLIGATION  
5 WAS SOMETHING THAT WE JUST TALKED ABOUT IN TERMS OF AN  
6 INFORMATIONAL ITEM ONLY; THAT AS FAR AS THE BUILDUP OF  
7 THE FUNDS IS CONCERNED, THAT IF THERE WAS A COMBINATION  
8 OF MECHANISMS, THAT IF EITHER OF THE MECHANISMS IN THAT  
9 COMBINATION REQUIRE THAT IT BE FULLY FUNDED, THEN THE  
10 ENTIRE AMOUNT MUST BE FULLY FUNDED

11 IN TERMS OF THE ISSUE OF BENEFICIARY, STAFF  
12 WOULD RECOMMEND THAT WE FOLLOW MIKE BERG'S  
13 RECOMMENDATION, AND THAT IS TO REQUIRE THE ESTABLISHMENT  
14 OF A STANDBY TRUST FUND WITH THE PROVISION THAT THE  
15 BOARD'S ESTABLISHMENT AS THE BENEFICIARY BE STUDIED OVER  
16 THE NEXT FOUR MONTHS AND BE INCLUDED OR NOT IN  
17 REGULATION.

18 THE FINANCIAL MEANS TEST, THE STAFF AGREES  
19 THAT TO AVOID POSSIBLE LEGAL CHALLENGES, THAT THE THREE  
20 TIMES SHOULD BE CONVERTED BACK TO SIX TIMES, THAT STAFF  
21 AGREES WITH WASTE MANAGEMENT INC. IN THAT THE WORDING  
22 "LIABILITY COVERAGE" UNDER SECTION J-1(A) SHOULD BE  
23 CHANGED TO THE "ESTIMATED COST OF CLOSURE PLUS 15 YEARS  
24 OF POSTCLOSURE CARE."

25 AND I BELIEVE THAT'S THE EXTENT -- OH, THE ONE



1 OTHER ISSUE THAT WAS RAISED WAS THE LETTER OF CREDIT AND  
2 THE ANNUAL RENEWAL THAT WASTE MANAGEMENT INC. SUGGESTED.  
3 WE WOULD LIKE TO REMAIN WITH THE CURRENT WORDING SINCE  
4 THAT'S BEEN WORDING THAT'S BEEN UTILIZED IN OTHER STATES,  
5 BUT STUDY THE ABILITY TO INCLUDE A ONE-YEAR LETTER OF  
6 CREDIT WITH ANNUAL RENEWALS FOR PURPOSES OF THE  
7 REGULATIONS. FOR PURPOSES OF GETTING THE GUIDELINES OUT,  
8 IT IS SOMETHING THAT WE KNOW HAS BEEN DONE. AND THAT  
9 WOULD BE THE EXTENT OF THE CHANGES.

10 ONE OTHER CHANGE IN TERMS OF THE CORPORATE  
11 PARENT GUARANTEE, WE WOULD RIGHT NOW GO WITH A CORPORATE  
12 PARENT GUARANTEE, NOT CORPORATE SIBLING, GRANDPARENT, OR  
13 OTHERWISE, UTILIZE THE DEFINITION OF 50-PERCENT VOTING  
14 STOCK, AND STUDY, FOR PURPOSES OF REGULATION, THE ABILITY  
15 TO UTILIZE CORPORATE SIBLINGS, GRANDPARENTS, OR  
16 OTHERWISE.

17 THOSE WOULD BE THE EXTENT OF THE CHANGES IN  
18 THE FINANCIAL MECHANISM AREA.

19 CHAIRMAN BEAUTROW: OKAY. KIM --

20 MS. SCHWAB: I HAVE ABOUT NINE CHANGES. I'LL JUST  
21 RUN THROUGH THEM QUICKLY WITHOUT STATING WHAT PAGE IT'S  
22 ON.

23 WE WILL PROPOSE TO CHANGE THE WORDING IN THE  
24 GUIDELINES THAT WAS READING THE MAXIMUM COST OF CLOSING A  
25 LANDFILL TO INITIAL COST ESTIMATES MUST EQUAL COSTS OF



1 SCHEDULED CLOSURE. WHEREVER THAT IS BROUGHT UP, WE WILL  
2 MAKE THAT CHANGE.

3 AND PART 2, CONCERNING THE LEA AND THE  
4 COMPATIBLE COMPUTERS THAT MIGHT BE AVAILABLE, WE WILL ASK  
5 THE OPERATOR TO VERIFY WHETHER THEY CAN SEND EITHER DISK  
6 OR WRITTEN FORM TO THE OFFICE.

7 ON THE SITE DESCRIPTION WE WOULD LIKE TO ADD  
8 "PREPARED BY" AND THE NAME OF THE SITE OPERATORS,  
9 SEPARATE BLANKS TO BE FILLED IN. WE WOULD ALSO LIKE TO  
10 MAKE CORRECTION THROUGHOUT THE WORKSHEET TO ADJUST THE  
11 FORMULAS TO ACCOMODATE ANNUAL COSTS WHEREVER WE MIGHT  
12 FIND PROBLEMS WITH THAT.

13 STAFF ALSO PROPOSES TO RETAIN THE 20-PERCENT  
14 CONTINGENCY COSTS. ALSO, ON AN OPTION UNDER MONITORING  
15 AND POSTCLOSURE MAINTENANCE UNDER SECURITY, WE WOULD LIKE  
16 TO PUT IN A STATEMENT TO COST OUT WHAT IT WOULD TAKE TO  
17 TAKE DOWN SECURITY EQUIPMENT, SUCH AS FENCES AND THINGS  
18 OF THAT NATURE, AND THEN COST OUT WHAT IT WOULD TAKE TO  
19 SECURE EQUIPMENT TO PROTECT THE PUBLIC AND THE  
20 ENVIRONMENT.

21 ALSO, ON 19(J) UNDER CLAY LAYER, WE HAD A  
22 RECOMMENDATION TO INCLUDE A STATEMENT, AND IT READS,  
23 "PLACEMENT, SPREADING, GRADING, COMPACTION TO ACHIEVE  
24 PERMEABILITY." AND WHAT WE'D LIKE TO ADD IS "NO GREATER  
25 THAN ONE TIMES TEN TO THE MINUS SIX CENTIMETERS PER



1 SECTION."

2 UNDER THE INSPECTION SECTION, UNDER  
3 "COMPONENTS THAT SHOULD BE INSPECTED," INCLUDE -- I'D  
4 LIKE TO ADD, "BUT ARE NOT LIMITED TO," AND TO THAT LIST  
5 ADD "LAYER CONTROL AND MONITORING EQUIPMENT."

6 AND THE LAST ITEM WE HAVE ADDED IN OUR  
7 INTRODUCTION IS THAT WE WOULD ASK, UNDER PARTICULAR  
8 SITUATIONS, IF A WORKSHEET ITEM IS NOT INCLUDED IN THIS  
9 PACKET, TO GIVE THE OPTION TO THE OPERATORS TO INCLUDE  
10 THEIR OWN WORKSHEET. AT THAT POINT WE WOULD LIKE TO ADD  
11 ANOTHER STATEMENT IN THE SUMMARY PAGE TO MAKE SURE THOSE  
12 COSTS ARE COVERED AND INCLUDED IN OUR SUMMARY TOTAL.

13 AND THAT'S ALL WE HAVE AT THIS TIME.

14 BOARD MEMBER BREMBERG: MR. CHAIRMAN, I FEEL, AS  
15 LONG AS WE HAVE A QUORUM, THAT WE SHOULD TAKE A VOTE ON  
16 THESE AND GIVE THE STAFF THE OPPORTUNITY TO PROCEED IN A  
17 NEAT AND ORDERLY FASHION.

18 I WOULD SO PROPOSE THAT WE ACCEPT THE  
19 GUIDELINES PREPARED BY THE STAFF, INCLUDING THE PROPOSED  
20 CHANGES.

21 BOARD MEMBER GALLAGHER: SECOND.

22 CHAIRMAN BEAUTROW: OKAY. WOULD YOU EXPLAIN -- SAY  
23 THAT AGAIN THAT -- YOUR INITIAL STATEMENT.

24 BOARD MEMBER BREMBERG: WHICH INITIAL STATEMENT?

25 CHAIRMAN BEAUTROW: NO.



1 BOARD MEMBER BREMBERG: THE MOTION -- I FEEL THAT  
2 WE SHOULD ADOPT THE GUIDELINES AS PRESENTED BY THE STAFF,  
3 INCLUDING THE PROPOSED CHANGES.

4 CHAIRMAN BEAUTROW: OKAY. THERE'S A SECOND TO THE  
5 MOTION. ALL THOSE IN FAVOR? OPPOSED? CARRIED  
6 UNANIMOUS. THANK YOU VERY MUCH.

7 WE'RE GOING TO TAKE A TEN-MINUTE BREAK, AND  
8 IT'S AN EXCELLENT STAFF WORK AND PARTICIPATION FROM THE  
9 AUDIENCE. WE REALLY APPRECIATE THIS.

10 BOARD MEMBER VARNER: MR. CHAIRMAN, I WOULD LIKE TO  
11 REITERATE THAT -- BECAUSE AS I GO THROUGH THESE, AND I  
12 KNOW SOMETHING ABOUT THE WASTE DISPOSAL BUSINESS, BUT  
13 YOU'VE DONE AN OUTSTANDING JOB. AND THERE'S SO MANY  
14 THINGS HERE THAT HAVE TO BE LOOKED AT, AND I'D JUST  
15 LIKE -- ALSO WE HAVE SOME TREMENDOUS GOOD PARTICIPATION  
16 FROM THE AUDIENCE THIS TIME OF KNOWLEDGEABLE PEOPLE, AND  
17 THAT'S WHAT HELPS US HERE TO MAKE DECISIONS.

18 (A BREAK WAS TAKEN.)

19 CHAIRMAN BEAUTROW: SHALL WE BEGIN AGAIN, EVERYONE?  
20 BEGIN THE BEGUINE ON NO. 2. GEORGE, WOULD YOU LIKE TO  
21 KICK IT OFF?

22 MR. EOWAN: THANK YOU, MR. CHAIRMAN. THIS NOW  
23 TAKES US TO ITEM NO. 2, WHICH IS WHAT MR. VARNER WAS  
24 TALKING ABOUT EARLIER, AND THAT IS THE -- SOME OF THE  
25 MORE SPECIFIC REGULATIONS DEALING WITH CLOSURE. AND



1 STAFF IS READY TO PROCEED WITH THAT AND GIVE YOU AN  
2 OVERVIEW OF EACH OF THE SECTIONS.

3 CHAIRMAN BEAUTROW: MR. ORR.

4 MR. ORR: THANK YOU, MR. CHAIRMAN AND MEMBERS.

5 BASICALLY, THIS IS A -- PROBABLY THE LAST INSTALLMENT OF  
6 THE PRESENTATIONS THAT WE'LL BE MAKING TO THE BOARD  
7 REGARDING THE COMPONENTS OF THE CLOSURE AND POSTCLOSURE  
8 REGULATIONS TO MEET THE REQUIREMENTS OF AB 2448. WE WILL  
9 BE WORKING STILL EXTENSIVELY THROUGH THE COMING MONTHS TO  
10 MEET THE JULY 1, 1989, DEADLINE FOR THESE REGULATIONS.  
11 THIS IS BASICALLY THE LAST OF THE COMPONENTS OF THAT  
12 OVERALL PACKAGE THAT WE'LL BE PRESENTING TO YOU.

13 THIS TIES IN NOT ONLY WITH THE OTHER PACKAGES  
14 THAT HAVE INCLUDED THE ELEMENTS OF THE CLOSURE PLAN AND  
15 THE DISPOSAL SITE STANDARDS FOR CLOSURE AND POSTCLOSURE  
16 MAINTENANCE, BUT ALSO TIES INTO THE PERMITTING ITEM THAT  
17 WE DISCUSSED AT LAST MONTH'S MEETING. BASICALLY, WE'VE  
18 CATERED OR GEARED THIS PARTICULAR APPROACH TO THE  
19 APPROVAL PROCESS TO LINK WITH, AS CLOSELY AS POSSIBLE,  
20 THAT PROPOSED PERMIT PROCESS. AND SO WE SORT OF HAVE A  
21 MOVING TARGET. THINGS ARE HAVING TO MOVE HAND IN HAND  
22 WHERE WE'RE NOT CREATING SEPARATE PROCESSES SIMPLY FOR  
23 CLOSURE, BUT WE'RE TRYING TO FIT THE CLOSURE PLAN  
24 APPROVAL PROCESS INTO THE OVERALL PROCESS THAT WE HAVE  
25 FOR PERMITS AND OTHER BOARD ACTIONS.



1                   AND SO WITH THAT, I'M GOING TO TURN THE  
2 MICROPHONE OVER TO CAREN TRGOVCICH WHO WILL BE TALKING  
3 ABOUT THE SECTIONS IN DETAIL.

4                   MS. TRGOVCICH: GOOD AFTERNOON, MR. CHAIRMAN AND  
5 MEMBERS OF THE BOARD. I'M GOING TO BEGIN TO JUST FOLLOW  
6 UP ON WHAT BILL SAID, AND THAT IS TO REITERATE THAT THE  
7 WAY THE STATUTE HAS SET UP AB 2448, THERE ARE  
8 CURRENTLY -- WITH THE NEW CLEANUP LANGUAGE THAT WAS  
9 SIGNED BY THE GOVERNOR ON JULY 5TH -- AND THAT'S AB  
10 3071 -- THERE ARE THREE AGENCIES INVOLVED IN THE APPROVAL  
11 OF THE CLOSURE AND POSTCLOSURE MAINTENANCE PLANS, AND  
12 THAT IS THE WASTE MANAGEMENT BOARD, THE LOCAL ENFORCEMENT  
13 AGENCY, AND THE REGIONAL WATER QUALITY CONTROL BOARD.

14                   SO IT'S NECESSARY TO DEVELOP A PROCESS, A SET  
15 OF PROCEDURES FOR APPROVAL THAT TAKES INTO ACCOUNT THE  
16 TIME FRAMES NECESSARY FOR REVIEW BY ALL THREE OF THESE  
17 AGENCIES, THEIR VARIOUS APPROVAL PROCESSES, AND THEN TO  
18 TRY AND ESTABLISH A PROCEDURE WHICH DOES NOT OVERBURDEN  
19 THE LOCAL ENFORCEMENT AGENCY WITH TOO MANY DIFFERENT SETS  
20 OF REQUIREMENTS.

21                   SO WHAT WE'VE TRIED TO DO, AS BILL STATED, WAS  
22 TO INCORPORATE IT INTO THE EXISTING PERMIT REVIEW PROCESS  
23 OR THE PERMIT REVIEW PROCESS AS WAS DISCUSSED WITH YOU AT  
24 LAST MONTH'S MEETING. AS WE GO THROUGH THESE  
25 REGULATIONS, PROPOSED REGULATIONS, KEEP IN MIND THAT THE



1 PROCEDURE HERE IS INTENDED TO UTILIZE THE EXISTING  
2 PROCEDURES RATHER THAN CREATING AN ENTIRELY NEW SET OF  
3 APPROVALS THAT ARE REQUIRED.

4 I'M GOING TO BEGIN ON PAGE 99 OF YOUR PACKET,  
5 AND THE FIRST PROPOSED REGULATION IS THE SUBMITTAL OF THE  
6 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS. THIS SECTION  
7 IS SOMEWHAT A RESTATEMENT OF THE STATUTE AS FAR AS WHEN  
8 THE PLANS MUST COME INTO THE VARIOUS AGENCIES. WE FELT  
9 THAT IT WAS NECESSARY TO PUT IT INTO THE BOARD'S  
10 REGULATIONS IN ORDER TO HAVE ONE AREA IN WHICH AN  
11 OPERATOR MUST LOOK AND WHICH AN LEA MUST LOOK IN ORDER TO  
12 DETERMINE THE PROCEDURE FOR SUBMITTING THE PLANS, WHAT  
13 HAS TO BE SUBMITTED WITH THE PLANS, AND THE SUBSEQUENT  
14 APPROVAL PROCESS.

15 WE ALSO FELT THAT THE REGULATIONS NEED TO  
16 DISTINGUISH BETWEEN THE TWO DIFFERENT TYPES OF PLANS THAT  
17 WE TALK ABOUT HERE, AND THOSE ARE THE PRELIMINARY PLANS  
18 AND THE FINAL PLANS WHICH WILL BE PUT INTO DEFINITION.  
19 AND FOR YOUR INFORMATION, THE PLANS AS THEY ARE SUBMITTED  
20 TO US BEGINNING AFTER JULY 1, 1990, THEY WILL BE IN THE  
21 MAJORITY OF INSTANCES WHICH WILL BE OUTLINED BELOW.

22 THEY WILL BE PRELIMINARY PLANS; THAT IS, PLANS  
23 UTILIZED FOR THE PURPOSES OF DEVELOPMENT OF THE FINANCIAL  
24 MECHANISM THROUGH THE COST ESTIMATES THAT ARE INCLUDED  
25 AND PLANS WHICH WOULD BE UTILIZED TO BE ABLE TO TRACK



1 FUTURE ACTIVITIES AT THE FACILITY. A FINAL PLAN IS THE  
2 PLAN WHICH WILL BE IMPLEMENTED TO CARRY OUT THE CLOSURE  
3 AND POSTCLOSURE MAINTENANCE ACTIVITIES; AND, THUS, A  
4 FINAL PLAN MAY NOT NECESSARILY BE AVAILABLE UNTIL A SHORT  
5 WHILE PRIOR TO THE ACTUAL CLOSURE PROCESS.

6 SO I'M GOING TO READ FOR YOU THE PROPOSED  
7 REGULATION, AND IT'S SUBSECTION C ON THE BOTTOM OF PAGE  
8 99, AND WE HAVE TITLED IT "PROPOSED SECTION 18280:  
9 SUBMITTAL OF CLOSURE AND POSTCLOSURE MAINTENANCE PLANS."

10 "SUBSECTION A: ALL PLANS SUBMITTED TO FULFILL  
11 THE REQUIREMENTS OF SECTION 18250 ET. SEQ. OF THIS  
12 CHAPTER SHALL BE SUBMITTED TO THE CALIFORNIA WASTE  
13 MANAGEMENT BOARD, THE LOCAL ENFORCEMENT AGENCY, AND THE  
14 REGIONAL WATER QUALITY CONTROL BOARD.

15 "SUBSECTION B: PRELIMINARY CLOSURE AND  
16 POSTCLOSURE MAINTENANCE PLANS FOR FACILITIES OPERATING ON  
17 OR AFTER JANUARY 1, 1988, AND PRIOR TO THE EFFECTIVE DATE  
18 OF THESE REGULATIONS SHALL BE SUBMITTED AT THE TIME OF  
19 APPLICATION FOR EACH SOLID WASTE FACILITIES PERMIT REVIEW  
20 PURSUANT TO SECTION 18213(B).

21 "SUBSECTION C: FACILITIES NOT OPERATING PRIOR  
22 TO THE EFFECTIVE DATE OF THE REGULATIONS SHALL SUBMIT THE  
23 PRELIMINARY CLOSURE AND POSTCLOSURE MAINTENANCE PLANS AT  
24 THE TIME OF APPLICATION FOR A SOLID WASTE FACILITIES  
25 PERMIT PURSUANT TO SECTION 18200 ET SEQ.



1 "SUBSECTION D: FINAL CLOSURE AND POSTCLOSURE  
2 MAINTENANCE PLANS FOR FACILITIES OPERATING ON OR AFTER  
3 JANUARY 1, 1988, SHALL BE SUBMITTED TWO YEARS PRIOR TO  
4 THE ANTICIPATED DATE OF CLOSURE."

5 CHAIRMAN BEAUTROW: EXCUSE ME. I HAVE A QUESTION  
6 RIGHT THERE. IT SEEMS TO ME THAT I READ SOMEWHERE IN  
7 THE WATER BOARD REGS THEY REQUIRE, IS IT, SIX MONTHS OR  
8 SOMETHING?

9 MR. ORR: BASICALLY, I MIGHT POINT OUT AT THIS TIME  
10 THAT WE'RE WORKING WITH THE WATER BOARD AND THE OTHER  
11 AGENCIES AND PARTICIPANTS ON THE SOLID WASTE CLEANUP AND  
12 MAINTENANCE ADVISORY COMMITTEE. AND THEY'RE IN THE  
13 PROCESS RIGHT NOW OF DEVELOPING GUIDELINES FOR THE  
14 COORDINATION OF THESE REGULATIONS INCLUDING WITH THE  
15 WATER BOARD UNDER SUBCHAPTER 15.

16 I BELIEVE THE CURRENT SUBCHAPTER 15 REQUIRES  
17 THE PLAN BE SUBMITTED SIX MONTHS BEFOREHAND, BUT WE ARE  
18 TALKING WITH THE WATER BOARD AND DEVELOPING THIS PROCESS  
19 HAND IN HAND WITH THEM TO HAVE THESE PRELIMINARY PLANS UP  
20 FRONT. BUT THEN THESE FINAL PLANS WOULD BE SUBMITTED  
21 WITH ENOUGH TIME THAT APPROVAL COULD BE GRANTED BEFORE  
22 THE FACILITY CLOSES.

23 CHAIRMAN BEAUTROW: SIX MONTHS WAS NEVER IN MY MIND  
24 A REALISTIC --

25 BOARD MEMBER GALLAGHER: I HAD TWO POINTS, I



1 BELIEVE, AND THIS IS JUST ONE MAN'S OPINION, BUT AFTER  
2 THE WORD "REGULATION" IN THE SECOND OR THIRD LINE OF  
3 SUBSECTION B WHERE IT SAYS "JANUARY 1, 1988, AND PRIOR TO  
4 THE EFFECTIVE DATE OF THESE REGULATIONS," I THINK WE  
5 OUGHT TO PARENTHETICALLY NOTE THERE WHAT THE DATE OF  
6 THOSE REGULATIONS ARE.

7 THE OTHER THING THAT I ASK AS A QUESTION,  
8 SINCE YOU HAVE HERE "SHALL BE SUBMITTED TWO YEARS PRIOR  
9 TO THE ANTICIPATED DATE OF CLOSURE," WE'RE GOING TO HAVE  
10 LANDFILLS THAT ARE OPERATING RIGHT AFTER JANUARY 1, 1988,  
11 THAT AREN'T GOING TO BE ALIVE TWO YEARS DOWNSTREAM AND  
12 NOW HOW ARE WE GOING TO HANDLE THOSE? DO WE HAVE SOME  
13 PLANS?

14 MR. ORR: THAT'S AN EXCELLENT QUESTION. BASICALLY,  
15 WHAT WE HAVE AVAILABLE TO US IS THE EXISTING REGULATIONS  
16 THAT UNTIL WE HAVE SOMETHING NEW, THEY ARE SUBJECT TO THE  
17 REQUIREMENTS OF AB 2448. BUT THE ONLY THINGS THAT WE  
18 HAVE IN PLACE AT THIS TIME ARE THE THINGS THAT ARE  
19 CONTAINED IN THE EXISTING CHAPTER 3 OF TITLE 14 OF THE  
20 MINIMUM STANDARDS, AND BASICALLY A NUMBER OF THOSE  
21 STANDARDS DO APPLY OR SPECIFICALLY APPLY TO CLOSURE.

22 FOR EXAMPLE, WE DO CURRENTLY HAVE A FINAL  
23 COVER STANDARD. WE CURRENTLY HAVE PROVISIONS FOR WHAT  
24 YOU DO WITH GAS MONITORING AFTER THE FACILITY CLOSURES IN  
25 TERMS OF INSPECTION UPON COMPLETION. A LOT OF THE



1 SECTIONS WE BROUGHT UP OVER THE MONTHS IN TERMS OF WHAT  
2 WE WOULD PROPOSE TO MODIFY THOSE SECTIONS OR SUPPLEMENT  
3 THOSE SECTIONS, FOR NOW, UNTIL WE HAVE NEW REGULATIONS,  
4 WE HAVE THE EXISTING REGULATIONS AND THOSE FACILITIES  
5 WOULD BE SUBJECT TO THOSE REGULATIONS.

6 BOARD MEMBER GALLAGHER: I GUESS, THEN, MY POINT IS  
7 THAT MAYBE THERE OUGHT TO BE ANOTHER SECTION HERE THAT  
8 WOULD SAY JUST EXACTLY THAT, THAT LANDFILLS WHO DO NOT  
9 HAVE A LIFE OF TWO YEARS BEYOND 1988 WOULD BE SUBJECT TO  
10 THE REGULATIONS THAT YOU ARE TALKING ABOUT RIGHT NOW FOR  
11 CLOSURE/POSTCLOSURE.

12 MR. EOWAN: I THINK THAT'S IN THE LAW ALREADY.  
13 YEAH. I THINK THAT'S IN 2448, COVERED IN THERE.

14 MS. TRGOVCICH: "SUBSECTION E: ANY OPERATOR  
15 INTENDING TO CLOSE A LANDFILL OPERATING ON OR AFTER  
16 JANUARY 1, 1988, BY SEPTEMBER 28, 1992, SHALL SUBMIT A  
17 CLOSURE AND POSTCLOSURE MAINTENANCE PLAN ON OR BEFORE  
18 JULY 1, 1990."

19 THIS SECTION APPLIES TO A SOLID WASTE LANDFILL  
20 WHICH WILL REACH CAPACITY PRIOR TO SEPTEMBER 28, 1992. A  
21 PLANNED EXPANSION OF THE SOLID WASTE LANDFILL WHICH HAS  
22 NOT YET BEEN PERMITTED, ACCORDING TO SECTION 18200 ET  
23 SEQ. DOES NOT RELIEVE AN OPERATOR OF THE RESPONSIBILITIES  
24 OF THIS SUBSECTION.

25 I'D LIKE TO POINT OUT JUST TWO THINGS IN



1 REGARDS TO THIS LAST SET OF REGULATIONS THAT I JUST WENT  
2 THROUGH, AND THE FIRST THING WAS FOR YOU TO NOTE THE  
3 DELINEATION BETWEEN THE PRELIMINARY PLANS AND THE FINAL  
4 PLANS. ALSO, I'D LIKE TO POINT OUT, TO FOLLOW UP ON WHAT  
5 BILL SAID, THAT WE'VE BEEN WORKING WITH THE STATE WATER  
6 BOARD AS FAR AS COORDINATING THESE REGULATIONS, THAT A  
7 TWO-YEAR SUBMITTAL DATE WAS AN ACTUAL TIME FRAME THAT WAS  
8 DISCUSSED AT THE LAST MEETING OF THE SOLID WASTE CLEANUP  
9 AND MAINTENANCE ADVISORY COMMITTEE SO THAT THE WATER  
10 BOARD IS AWARE AND ACTUALLY PROMOTES THAT KIND OF A  
11 LEAD-TIME TO REVIEW AND APPROVE OF THESE PLANS.

12 THE NEXT SECTION THAT WE'RE GOING TO LOOK AT  
13 IS SECTION 18283: OPERATION OF A FACILITY WITHOUT  
14 APPROVED PLANS.

15 STAFF FELT THAT IT WAS IMPORTANT TO PUT A  
16 SECTION INTO THE REGULATIONS HERE WHICH DISCUSSES THE  
17 FACILITIES THAT CONTINUE TO OPERATE WITHOUT PLANS THAT  
18 HAVE BEEN APPROVED. ONCE AGAIN, THIS IS A PART OF THE  
19 STATUTE, BUT WE FELT IT WAS IMPORTANT TO BE ABLE TO HAVE  
20 ONE COMPREHENSIVE PACKAGE TO INCLUDE IT AS A PART OF THE  
21 REGULATION.

22 PROPOSED REGULATORY LANGUAGE FOR SECTION 18283  
23 IS AS FOLLOWS: "OPERATION OF A SOLID WASTE LANDFILL  
24 WITHOUT APPROVED CLOSURE AND POSTCLOSURE MAINTENANCE  
25 PLANS.



1 "SUBSECTION A: A SOLID WASTE LANDFILL WHICH  
2 DOES NOT HAVE AN APPROVED CLOSURE AND POSTCLOSURE  
3 MAINTENANCE PLAN WITHIN ONE YEAR OF THE DATE OF SUBMITTAL  
4 OF THE PLANS SHALL CEASE OPERATIONS UNLESS THAT PLAN HAS  
5 BEEN APPROVED OR MODIFIED AND APPROVED BY BOTH THE BOARD  
6 AND THE LOCAL ENFORCEMENT AGENCY.

7 "SUBSECTION B: THE ONE YEAR SPECIFIED UNDER  
8 SUBSECTION A IS CALCULATED FROM THE FIRST DATE THAT THE  
9 PLANS WERE REQUIRED TO BE SUBMITTED PURSUANT TO SECTION  
10 18280."

11 I WOULD JUST LIKE TO POINT OUT THAT THAT  
12 PROVISION UNDER SUBSECTION A IS IN THE STATUTE, THAT IF A  
13 FACILITY DOES NOT HAVE AN APPROVED PLAN WITHIN ONE YEAR  
14 OF THE DATE OF THE SUBMITTAL, THAT THEY MUST CEASE  
15 OPERATIONS. THEY CAN NO LONGER CONTINUE TO OPERATE. AND  
16 THEN SUBSECTION B IS INTENDED TO CLARIFY SUBSECTION A AND  
17 GIVE YOU A DATE BY WHICH TO BEGIN CALCULATING THAT  
18 ONE-YEAR PERIOD.

19 ARE THERE ANY OTHER COMMENTS ON THIS SECTION?

20 MOVING ON TO PAGE 101 OF YOUR PACKET: THE  
21 FORM OF APPLICATION FOR APPROVAL OF PLANS. THIS SECTION  
22 STAFF FELT WAS NECESSARY TO INCLUDE TO GIVE THE APPLICANT  
23 AN IDEA OF WHAT NEEDS TO BE PROVIDED WHEN AN APPLICATION  
24 FOR APPROVAL IS MADE. AND THIS INCLUDES ALL THE  
25 DOCUMENTS, TO WHOM THEY ARE TO BE SUBMITTED, HOW MANY



1 COPIES, ETC. THIS IS TO MAKE IT VERY CLEAR AS TO WHAT  
2 NEEDS TO COME IN IN ORDER FOR THE LOCAL ENFORCEMENT  
3 AGENCY TO MAKE A DETERMINATION OF COMPLETENESS.

4 I'M GOING TO READ FROM THE PROPOSED REGULATORY  
5 TEXT UNDER SUBSECTION C ON THE BOTTOM OF PAGE -- OR  
6 ACTUALLY BEGINNING IN THE MIDDLE OF PAGE 101.

7 "PROPOSED SECTION 18285: FORM OF APPLICATION  
8 FOR REVIEW OF CLOSURE AND POSTCLOSURE MAINTENANCE PLANS.  
9 AN APPLICATION FOR THE REVIEW AND APPROVAL OF THE CLOSURE  
10 AND POSTCLOSURE MAINTENANCE PLANS SHALL CONTAIN ALL OF  
11 THE FOLLOWING INFORMATION:

12 "SUBSECTION A: THE CLOSURE AND POSTCLOSURE  
13 MAINTENANCE PLANS CONTAINING ALL OF THE ELEMENTS  
14 SPECIFIED UNDER SECTION 18261 AND 18265."

15 FOR YOUR INFORMATION, THOSE ARE THE SECTIONS  
16 UNDER THE CLOSURE AND POSTCLOSURE MAINTENANCE PLAN  
17 REGULATIONS WHICH SPECIFY EVERYTHING THAT MUST BE  
18 INCLUDED IN THOSE PLANS, SUCH AS ANY ACCOMPANYING MAPS,  
19 THE -- ANY CONTROL SYSTEMS, THE SEQUENCE OF ACTIVITIES  
20 THAT ARE TO BE CARRIED OUT, ETC.

21 "SUBSECTION B: UPDATED COST ESTIMATES FOR  
22 CLOSURE AND POSTCLOSURE ACTIVITIES TO REFLECT THE  
23 COMPONENTS UNDER SECTIONS 18261 AND 18265."

24 AS A SIDE NOTE, THESE UPDATED COST ESTIMATES  
25 WOULD BE THE UPDATE FROM THE INITIAL CERTIFICATION WHICH



1 IS WHAT WE WERE DISCUSSING THIS MORNING. IN ALL  
2 LIKELIHOOD, THESE CLOSURE AND POSTCLOSURE MAINTENANCE  
3 PLANS WILL COME IN ANYWHERE FROM ONE YEAR TO POSSIBLY  
4 SEVEN YEARS AFTER THE TIME OF THE INITIAL CERTIFICATION,  
5 SO THERE MAY NEED TO BE SIGNIFICANT MODIFICATIONS MADE TO  
6 THOSE COST ESTIMATES.

7 CONTINUING, "THESE ESTIMATES MUST ALSO INCLUDE  
8 A BREAKDOWN OF COSTS AS IDENTIFIED IN SECTION" -- THERE'S  
9 NO SECTION NUMBER THERE BECAUSE THAT HAS NOT YET BEEN  
10 WRITTEN -- "COST ESTIMATE CALCULATIONS. THE ESTIMATE  
11 SHALL BE ACCOMPANIED BY AN UPDATED CERTIFICATION MEETING  
12 THE REQUIREMENTS OF SECTION" -- AND, ONCE AGAIN, NO  
13 SECTION NUMBER THERE BECAUSE THAT IS YET TO BE WRITTEN --  
14 "WHICH WILL BE CALLED THE PROFESSIONAL CERTIFICATION FOR  
15 CLOSURE AND POSTCLOSURE MAINTENANCE COST ESTIMATES.

16 "SUBSECTION C: A COPY OF THE MOST RECENT  
17 STATEMENT OR SUMMARY OF THE STATUS WITHIN THE PREVIOUS 60  
18 DAYS OF THE FINANCIAL MECHANISM ESTABLISHED FOR MEETING  
19 THE CLOSURE AND POSTCLOSURE MAINTENANCE TRUST FUND OR  
20 EQUIVALENT ARRANGEMENT REQUIRED PURSUANT TO SECTION  
21 66796.22 OF THE GOVERNMENT CODE. THIS STATEMENT MUST  
22 ALSO INCLUDE THE CURRENT BALANCE AND A SUMMARY OF  
23 PAYMENTS MADE INTO THE MECHANISM FROM THE DATE OF THE  
24 MOST RECENT APPROVAL OF THE CLOSURE AND POSTCLOSURE  
25 MAINTENANCE PLAN. THE STATEMENT MUST BE PREPARED,



1 SIGNED, AND NOTARIZED BY AN AUTHORIZED REPRESENTATIVE OF  
2 THE ENTITY MAINTAINING THE MECHANISM. A TELEPHONE NUMBER  
3 OF THE ENTITY MUST ACCOMPANY THE STATEMENT FOR PURPOSES  
4 OF VERIFICATION."

5 ARE THERE ANY COMMENTS OR QUESTIONS ON THIS  
6 SECTION, ON THE FORM OF APPLICATION?

7 WE'LL CONTINUE NOW ON THE NEXT, PAGE 102,  
8 WHICH IS THE FILING OF THE APPLICATION AND TRANSMITTAL OF  
9 COPIES. THIS IS THE SECTION THAT ATTEMPTS TO TIE OR  
10 WOULD BEGIN TO ATTEMPT TO TIE THE APPROVAL PROCESS TO THE  
11 PERMIT REVIEW PROCESS WHICH CURRENTLY EXISTS IN OUR  
12 REGULATIONS SO THAT WE DO NOT CREATE A NEW PROCEDURE FOR  
13 THE LOCAL ENFORCEMENT AGENCIES. WHAT WE ATTEMPT TO DO IN  
14 THIS SECTION IS TO TELL THE OPERATORS EXACTLY WHO THE  
15 COPIES GO TO; AND, THEN, AS FAR AS THE LOCAL ENFORCEMENT  
16 AGENCY IS CONCERNED, WHAT THEIR RESPONSIBILITIES ARE IN  
17 THIS AREA.

18 READING THE PROPOSED TEXT UNDER SUBSECTION C,  
19 IN THE MIDDLE OF PAGE 102, "PROPOSED SECTION 18286:  
20 FILING OF APPLICATION AND TRANSMITTAL OF COPIES.

21 "SUBSECTION A: THE OPERATOR SHALL SUBMIT TWO  
22 COPIES OF EACH DOCUMENT UNDER SECTION 18285, ABOVE, TO  
23 THE LOCAL ENFORCEMENT AGENCY. THE OPERATOR SHALL SUBMIT  
24 ONE COPY OF EACH DOCUMENT UNDER SECTION 18285(B) AND (C)  
25 TO THE REGIONAL WATER QUALITY CONTROL BOARD. THE CLOSURE



1 AND POSTCLOSURE MAINTENANCE PLANS SHALL BE CLEARLY MARKED  
2 "PRELIMINARY" OR "FINAL," DEPENDING UPON THE STATUS.

3 "SUBSECTION B: WITH RESPECT TO THE REVIEW  
4 CONDUCTED BY THE LOCAL ENFORCEMENT AGENCIES, SECTIONS  
5 18203 AND 18204 SHALL APPLY TO THE APPLICATION FOR  
6 APPROVAL OF A CLOSURE AND POSTCLOSURE MAINTENANCE PLAN."

7 THESE ARE THE SECTIONS, AS A SIDE NOTE, THAT  
8 RELATE TO THE DETERMINATION OF COMPLETENESS AND  
9 ACCEPTANCE BY THE LOCAL ENFORCEMENT AGENCY.

10 "SUBSECTION 1: WHEN A LOCAL ENFORCEMENT  
11 AGENCY DEEMS AN APPLICATION INCOMPLETE, PURSUANT TO  
12 SECTION 18203(B), THE WRITTEN NOTIFICATION OF AN  
13 INCOMPLETE APPLICATION SHALL REFERENCE EACH SPECIFIC ITEM  
14 WHICH MUST BE INCLUDED TO COMPLETE THE APPLICATION.

15 "SUBSECTION 2: WHEN A DETERMINATION HAS BEEN  
16 MADE THAT THE APPLICATION IS INCOMPLETE, EITHER BY THE  
17 LOCAL ENFORCEMENT AGENCY OR THE REGIONAL WATER QUALITY  
18 CONTROL BOARD THROUGH PROVISIONS UNDER THE WATER CODE, A  
19 WRITTEN NOTICE SHALL BE SENT TO THE BOARD AND THE LOCAL  
20 ENFORCEMENT AGENCY OR THE REGIONAL WATER QUALITY CONTROL  
21 BOARD BY THE AGENCY MAKING THE DETERMINATION."

22 I'D LIKE TO POINT OUT THAT THIS SECTION IS  
23 INTENDED SO THAT WE HAVE THREE AGENCIES HERE INVOLVED IN  
24 THE APPROVAL PROCESS. WE DID NOT WANT ONE AGENCY ON ITS  
25 OWN TO MAKE A DETERMINATION THAT THE APPLICATION IS



1 INCOMPLETE AND TO STOP THE PROCESS RIGHT THERE WITHOUT  
2 NOTIFYING THE OTHER AGENCIES. WE WANTED TO MAKE SURE  
3 THAT THERE WAS SOME COORDINATION HERE.

4 GOING ON TO THE NEXT SECTION, EVALUATION OF  
5 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS, SECTION 18288.  
6 ONCE AGAIN, WE FELT THAT IN ORDER TO AVOID ANY  
7 UNNECESSARY DUPLICATION OF EFFORT AND TO SUPPORT THE  
8 EXPERTISE THAT EACH AGENCY HAS DEVELOPED UNDER ITS  
9 EXISTING STATUTORY AUTHORITY, THAT IT'S NECESSARY TO  
10 OUTLINE THOSE AREAS OF NEEDED REVIEW BY EACH AGENCY  
11 PARTICIPATING IN THE REVIEW PROCESS. WE HAVE ATTEMPTED  
12 TO TIE THE REVIEW RESPONSIBILITIES IN WITH EXISTING  
13 GOVERNMENT CODE AND THE EXISTING ADMINISTRATIVE CODES.

14 READING FROM SUBSECTION C, IN THE MIDDLE OF  
15 PAGE 103, "PROPOSED SECTION 18288: EVALUATION OF CLOSURE  
16 AND POSTCLOSURE MAINTENANCE PLANS.

17 "SUBSECTION A: THE BOARD SHALL BE RESPONSIBLE  
18 FOR ENSURING THAT THE PLAN ELEMENTS CONFORM WITH THE  
19 REGULATIONS FOUND IN CHAPTER 3. ALL PROVISIONS OF THE  
20 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS SHALL BE  
21 CONSISTENT WITH THE DISPOSAL REGULATIONS FOR SOLID WASTE  
22 FACILITIES FOUND IN CHAPTER 3, ARTICLE 7, DISPOSAL SITE  
23 STANDARDS. WHERE A DISPOSAL REGULATION IDENTIFIES A  
24 STANDARD OF PERFORMANCE FOR A SOLID WASTE LANDFILL, THE  
25 CLOSURE AND POSTCLOSURE MAINTENANCE PLAN SHALL DESCRIBE



1 HOW A PROPOSED DESIGN, MONITORING, OR CONTROL METHOD  
2 SUPPORTS THE PERFORMANCE STANDARD.

3 "SUBSECTION B: IN ADDITION TO ENSURING THAT  
4 THE CLOSURE AND POSTCLOSURE MAINTENANCE PLANS COMPLY WITH  
5 THE REGULATIONS FOUND IN CHAPTER 3, ARTICLE 7, THE LOCAL  
6 ENFORCEMENT AGENCY SHALL ALSO REVIEW THE PLANS TO ENSURE  
7 COMPLIANCE WITH ANY ADDITIONAL APPLICABLE CONDITIONS IN  
8 SOLID WASTE FACILITIES PERMIT. THE LOCAL ENFORCEMENT  
9 AGENCY SHALL ALSO ENSURE THAT THE PLANS CONFORM TO ANY  
10 EXISTING LOCAL CONDITIONS AND ORDINANCES AND THAT THE  
11 ELEMENTS HAVE BEEN REVIEWED FOR CONSISTENCY WITH LOCAL  
12 PLANNING AND ZONING REQUIREMENTS.

13 "SUBSECTION C: THE REGIONAL WATER QUALITY  
14 CONTROL BOARDS SHALL REVIEW THE PLANS FOR CONSISTENCY  
15 WITH THE REGULATIONS PERTAINING TO THE PROTECTION OF  
16 WATER QUALITY. THE REGIONAL WATER QUALITY CONTROL BOARDS  
17 SHALL ALSO REVIEW THE COST ESTIMATES FOR CLOSURE AND  
18 POSTCLOSURE MAINTENANCE WITH RESPECT TO THOSE COSTS  
19 ASSOCIATED WITH THE PROTECTION OF WATER QUALITY."

20 ANY COMMENTS ON THIS SECTION? IF NOT, WE'LL  
21 MOVE ON TO PROPOSED SECTION 18289, APPROVAL OF CLOSURE  
22 AND POSTCLOSURE MAINTENANCE PLANS.

23 THIS SECTION DEALS WITH THE TIME FRAMES FOR  
24 REVIEW OF THE VARIOUS AGENCIES INVOLVED IN THE APPROVAL  
25 PROCESS. ONCE AGAIN, THOSE THREE AGENCIES: THE BOARD,



1 THE LOCAL ENFORCEMENT AGENCIES, AND THE REGIONAL WATER  
2 QUALITY CONTROL BOARDS. IT'S IMPORTANT THAT TIMELY  
3 REVIEW TAKE PLACE IN ORDER TO MEET THE REQUIREMENTS OF  
4 THE DEADLINE SET OUT IN THE STATUTE; THAT IS, THE  
5 ONE-YEAR APPROVAL PROCESS.

6 WITHOUT TIMELY REVIEW, NUMEROUS REITERATIONS  
7 OF THE CLOSURE AND POSTCLOSURE MAINTENANCE PLANS FOR  
8 APPROVAL BY THE VARIOUS AGENCIES COULD WELL EXTEND BEYOND  
9 THAT ONE-YEAR TIME FRAME. SO WE'RE ATTEMPTING TO PUT  
10 INTO REGULATION SOME PARAMETERS FOR THE AGENCIES TO  
11 FOLLOW IN TERMS OF ESTABLISHING THEIR PRIORITIES FOR  
12 REVIEW.

13 UNDER PROPOSED SECTION 18289, AT THE BOTTOM OF  
14 PAGE 104 OF YOUR PACKET, APPROVAL OF CLOSURE AND  
15 POSTCLOSURE MAINTENANCE PLANS.

16 "SUBSECTION A: PRELIMINARY APPROVAL. THE  
17 LOCAL ENFORCEMENT AGENCY SHALL PROVIDE TO THE BOARD  
18 WITHIN 60 DAYS OF SUBMITTAL OF THE PLANS BY THE OPERATOR  
19 A WRITTEN RECORD OF APPROVAL OR DENIAL OF THE PLANS. IF  
20 THE RECORDS INDICATE THAT THE APPROVAL HAS BEEN DENIED,  
21 THE LOCAL ENFORCEMENT AGENCY SHALL INCLUDE IN THAT  
22 WRITTEN RECORD THE SPECIFIC CIRCUMSTANCES FOR DENIAL.

23 "SUBSECTION 1 --

24 BOARD MEMBER GALLAGHER: MAY I STOP YOU RIGHT THERE  
25 AND ASK YOU WAS THE 60-DAY PERIOD DISCUSSED WITH THE



1 ENFORCEMENT AGENCY GROUP? HOW DO WE KNOW THAT 60 DAYS IS  
2 ENOUGH TIME FOR THEM TO REACT? SAY, THEY HAVE 10, 15  
3 LANDFILLS WHO ARE GOING TO COME FORWARD WITH APPLICATIONS  
4 ALL AT ONE TIME. IS 60 DAYS A REASONABLE PERIOD OF TIME  
5 OR IS IT IN THE LAW THAT IT BE 60 DAYS OR DID WE JUST  
6 PICK THAT AS BEING A REASONABLE TIME IN OUR JUDGMENT?

7 MR. ORR: BASICALLY, WE ARE OPERATING WITHIN AN  
8 OVERALL CLOCK TO APPROVE THE PLANS OR NOT, AND BASICALLY  
9 WHAT -- THE 60 DAYS WAS DISCUSSED IN THE CONTEXT OF  
10 ALLOWING ENOUGH, YOU KNOW, REASONABLE TIME TO RECEIVE  
11 COMMENTS, BUT STILL TO ALLOW US TO APPROVE THE PLAN IN AN  
12 EXPEDITIOUS MANNER. SO IT'S -- THAT'S HOW IT WAS  
13 SELECTED. THE 60 DAYS IS NOT SET IN STONE ANYWHERE.  
14 THAT IS SOMETHING, ALSO, THAT WE'VE BEEN WORKING ON IN  
15 THE PERMIT PROCESS REVISION IS TO PUT THE TIME, THE DAYS  
16 WHERE IT CAN BE BEST UTILIZED. SO, FOR EXAMPLE, YOU MAY  
17 NEED MORE TIME TO, SAY, REVIEW THE PLAN OR REVIEW THE  
18 PERMIT APPLICATION, AND MAYBE LESS TIME TO ACTUALLY, SAY,  
19 WRITE THE PERMIT OR, YOU KNOW, NOTICE IT OR SOMETHING.

20 SO WE'RE TRYING TO ALLOCATE THE DAYS THAT WE  
21 HAVE TO HAVE EXPEDITIOUS PROCESSING OF THE PERMIT OR THE  
22 APPROVAL OF THE CLOSURE PLAN, BUT STILL KEEP IT MOVING  
23 ALONG SO THAT WE WON'T HAVE TOO MANY OF THESE SITUATIONS  
24 WHERE THE PRELIMINARY PLAN IS NOT APPROVED AND THE  
25 FACILITY CAN'T OPERATE ANY LONGER.



1 CHAIRMAN BEAUTROW: YOU DIDN'T GET A FLOOD OF  
2 COMMENTS FROM THE LOCAL ENFORCEMENT AGENCY SAYING YOU  
3 COULDN'T DO THIS, DID YOU?

4 MR. ORR: THIS PARTICULAR ITEM HAS NOT RECEIVED A  
5 MASS MAILING AT THIS TIME.

6 BOARD MEMBER GALLAGHER: WELL, I DON'T HAVE ANY  
7 TROUBLE WITH IT. I JUST DON'T WANT US TO GET IT ALL DONE  
8 AND HAVE A LOT OF PEOPLE COMING BACK RAISING HELL ABOUT  
9 IT.

10 MS. TRGOVCICH: ONE OTHER THING I'D LIKE TO POINT  
11 OUT IN TERMS OF THAT IS WE ARE, BY STATUTE -- I'M NOT  
12 QUITE SURE OF THE EXACT SECTION, BUT OUR COUNSEL, KATHRYN  
13 CLOSE, HAS BEEN RESEARCHING THIS -- REQUIRED TO PROCESS  
14 THESE PERMIT RELATED DOCUMENTS WITHIN AN OVERALL TIME  
15 FRAME. AND WHAT THIS 60 DAYS WAS ALSO INTENDED TO DO WAS  
16 WITHIN THAT OVERALL TIME FRAME, WHICH WE'RE TRYING TO  
17 DETERMINE IS 120 DAYS OR 180 DAYS, 60 DAYS WAS INTENDED  
18 TO GET US COMMENTS SO THAT IF THERE WERE PROBLEMS, THAT  
19 THERE WOULD BE TIME TO GO BACK TO THE OPERATOR AND  
20 RESUBMIT THE APPLICATION WITH THE ADDITIONAL INFORMATION  
21 WITHIN THAT OVERALL 120- TO 180-DAY TIME FRAME. BUT WE  
22 ARE LIMITED BY STATUTE IN THE AMOUNT OF TIME THAT WE HAVE  
23 IN ORDER TO REVIEW AND APPROVE OF PERMIT RELATED  
24 ACTIVITIES.

25 BOARD MEMBER GALLAGHER: THANK YOU.



1 MS. TRGOVCICH: CONTINUING ON.

2 "SUBSECTION 1: PRIOR TO THE DENIAL OF THE  
3 PLANS, EITHER AGENCY MAY ENTER INTO NEGOTIATIONS WITH THE  
4 OPERATOR OR OTHER AUTHORIZED AGENT TO RESOLVE DIFFERENCES  
5 WHICH MAY EXIST. THESE NEGOTIATIONS ARE TO BE  
6 COORDINATED AMONGST THE VARIOUS AGENCIES.

7 "SUBSECTION 2: IF NO RESPONSE IS RECEIVED BY  
8 THE BOARD FROM THE LOCAL ENFORCEMENT AGENCY OR THE  
9 REGIONAL WATER QUALITY CONTROL BOARD WITHIN 60 DAYS OF  
10 SUBMITTAL, THE BOARD MAY PROCEED TO APPROVE OR DENY THE  
11 PERMIT."

12 AND I'D LIKE TO MAKE ONE CORRECTION RIGHT NOW.  
13 IT SHOULD NOT BE PERMIT; IT SHOULD BE PLANS. WE WERE  
14 TYING IT TOO CLOSELY TO THAT PROCESS.

15 "SUBSECTION 3: WITHIN 120 DAYS FROM THE DATE  
16 OF THE SUBMITTAL OF THE PRELIMINARY CLOSURE AND  
17 POSTCLOSURE MAINTENANCE PLANS, THE BOARD SHALL TRANSMIT  
18 TO THE OPERATOR A FORMAL LETTER OF APPROVAL OR DENIAL.

19 "SUBSECTION 4: IF APPROVAL OF THE PRELIMINARY  
20 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS IS DENIED, THE  
21 LETTER OF DENIAL SHALL SET FORTH THE SPECIFIC ITEMS THAT  
22 HAVE BEEN DEEMED DEFICIENT OR INACCURATE. THE OPERATOR  
23 SHALL SUBMIT A REVISED PRELIMINARY CLOSURE AND  
24 POSTCLOSURE MAINTENANCE PLAN CONTAINING THE INFORMATION  
25 DEEMED DEFICIENT IN THE LETTER OF DENIAL TO THE LOCAL



1 ENFORCEMENT AGENCY AND THE REGIONAL WATER QUALITY BOARDS  
2 IN ACCORDANCE WITH SECTION 18280 ET SEQ."

3 SO THEY GO BACK TO THE BEGINNING OF THE  
4 PROCESS AT THAT POINT. RATHER THAN CREATE AN ENTIRELY  
5 NEW PROCESS, WE WANTED TO CONTINUE TO STICK WITHIN THAT  
6 EXISTING PROCESS.

7 "SUBSECTION B: FINAL PLANS. THE LOCAL  
8 ENFORCEMENT AGENCY SHALL PROVIDE TO THE BOARD, WITHIN 90  
9 DAYS OF SUBMITTAL OF THE PLANS BY THE OPERATOR, A WRITTEN  
10 RECORD OF APPROVAL OR DENIAL OF THE PLANS. IF THE RECORD  
11 INDICATES THAT THE APPROVAL HAS BEEN DENIED, THE LOCAL  
12 ENFORCEMENT AGENCY SHALL INCLUDE IN THAT WRITTEN RECORD  
13 THE SPECIFIC CIRCUMSTANCES FOR DENIAL.

14 "SUBSECTION 1: PRIOR TO DENIAL OF THE PLANS,  
15 EITHER AGENCY MAY ENTER INTO NEGOTIATIONS WITH THE  
16 OPERATOR OR OTHER AUTHORIZED AGENT TO RESOLVE DIFFERENCES  
17 WHICH MAY EXIST. THESE NEGOTIATIONS ARE TO BE  
18 COORDINATED AMONGST THE VARIOUS AGENCIES.

19 "SUBSECTION 2: IF NO RESPONSE IS RECEIVED BY  
20 THE BOARD FROM THE LOCAL ENFORCEMENT AGENCY OR THE  
21 REGIONAL WATER QUALITY CONTROL BOARD WITHIN 90 DAYS OF  
22 SUBMITTAL, THE BOARD MAY PROCEED TO APPROVE OR DENY THE  
23 PLANS."

24 I'D LIKE YOU TO CHANGE THAT FROM PERMIT TO  
25 PLANS, AGAIN.



1 "SUBSECTION 3: WITHIN 180 DAYS FROM THE DATE  
2 OF SUBMITTAL OF THE FINAL CLOSURE AND POSTCLOSURE  
3 MAINTENANCE PLANS, THE BOARD SHALL TRANSMIT TO THE  
4 OPERATOR A FORMAL LETTER OF APPROVAL OR DENIAL.

5 "SUBSECTION 4: IF APPROVAL OF THE FINAL  
6 CLOSURE AND POSTCLOSURE MAINTENANCE PLANS IS DENIED, THE  
7 LETTER OF DENIAL SHALL SET FORTH THE SPECIFIC ITEMS THAT  
8 HAVE BEEN DEEMED DEFICIENT OR INACCURATE. THE OPERATOR  
9 SHALL SUBMIT A REVISED CLOSURE AND POSTCLOSURE  
10 MAINTENANCE PLAN, CONTAINING THE INFORMATION DEEMED  
11 DEFICIENT IN THE LETTER OF DENIAL TO THE LOCAL  
12 ENFORCEMENT AGENCY AND THE REGIONAL WATER QUALITY CONTROL  
13 IN ACCORDANCE WITH SECTION 18280 ET SEQ."

14 SO THE CHANGE HERE FROM PRELIMINARY TO FINAL  
15 PLANS IS BASICALLY THE INCREASE IN THE TIME FRAME, AND  
16 THAT IS BECAUSE WE'RE LOOKING AT A PLAN NOW THAT'S GOING  
17 TO COVER THE ACTUAL IMPLEMENTATION OF ACTIVITIES. THIS  
18 IS THE PLAN THAT THEY'RE GOING TO BE OPERATING UNDER, AND  
19 STAFF FEELS THAT THE ADDITIONAL TIME IS NECESSARY. THIS,  
20 HOWEVER, DOES EXTEND US OUT THAT 180 DAYS TO BE THE  
21 MAXIMUM AMOUNT OF TIME THAT WE CAN ALLOT FOR APPROVAL IN  
22 THIS PROCESS ACCORDING TO STATUTE.

23 CHAIRMAN BEAUTROW: MAY I SUGGEST THAT WHEN YOU  
24 SEND THESE OUT, YOU PROVIDE A LITTLE DIAGRAM THAT SHOWS  
25 THE TIMELINES? THIS IS ALL SO CONFUSING ABOUT ALL THESE



1 SHORT CIRCUITS, AND YOU NEED SOMETHING THAT HELPS  
2 UNDERSTAND IT BETTER. I REALIZE THAT YOU HAVE IT ALL  
3 REDUCED TO WRITING, BUT I READ THE SUBCHAPTER 15 REGS AND  
4 THEY HAVE DIAGRAMS IN THERE --

5 MS. TRGOVCICH: THAT'S RIGHT. THAT'S SOMETHING  
6 THAT WE'RE PUTTING TOGETHER RIGHT NOW. THAT'S SOMETHING  
7 THAT WE'RE PUTTING TOGETHER RIGHT NOW, AND WE WILL HAVE  
8 THAT AVAILABLE FOR THE WORKSHOPS. IT'S VERY DIFFICULT TO  
9 FOLLOW 180 DAYS, 120 AND, THEN, ALL THESE TIME FRAMES AND  
10 THEN IT GOES BACK TO THE BEGINNING.

11 I'D LIKE TO POINT OUT HERE THAT THE BOARD  
12 ACTION, IF WE DON'T RECEIVE ANYTHING FROM THE REGIONAL  
13 BOARDS OR THE LEA'S WITHIN A CERTAIN AMOUNT OF TIME, I'D  
14 JUST LIKE TO POINT OUT THAT THE REGIONAL BOARDS HAVE  
15 ACCEPTED THIS IN TERMS OF THEIR RELATIONSHIP TO THE  
16 APPROVAL PROCESS AT THE HAZARDOUS WASTE PLANS WITH THE  
17 DEPARTMENT OF HEALTH SERVICES. AND THAT IS A QUACKENBUSH  
18 BILL, WHICH, I BELIEVE, IS IN APPROPRIATIONS RIGHT NOW,  
19 BUT IT'S BEEN FLYING THROUGH, AND IT'S SOMETHING THAT  
20 THEY'VE COME TO AN AGREEMENT WITH THE DEPARTMENT OF  
21 HEALTH SERVICES IN ORDER TO EXPEDITE APPROVAL OF THE  
22 PLANS AND NOT ALLOW THE STATUTORY DEADLINES TO EXPIRE.

23 THE NEXT SECTION -- AND THERE IS NO SECTION  
24 NUMBER, AND THIS IS THE LAST SECTION. THIS WOULD BE  
25 SECTION 18290, ON THE BOTTOM OF PAGE 105 OF YOUR PACKET.



1 AMENDMENT OF CLOSURE AND POSTCLOSURE MAINTENANCE PLANS.

2 THIS SECTION OF REGULATIONS IS INTENDED TO  
3 IDENTIFY WHEN THE PLANS CAN BE AMENDED AND THE PROCEDURE  
4 FOR THAT AMENDMENT. THERE ALSO NEEDS TO BE SOME SORT OF  
5 DISTINGUISHING FACTORS BETWEEN THE FREQUENT AMENDMENTS,  
6 OR IT MAY BE NECESSARY, ASSOCIATED WITH THE COST  
7 ESTIMATES AND THE AMENDMENTS TO THE PLAN, THAT MAY BE  
8 NECESSARY AS FAR AS AN IMPLEMENTATION STANDPOINT IS  
9 CONCERNED. SO WE'LL CONTINUE AND WE'LL READ AND THIS IS  
10 THE LAST PROPOSED SECTION, AND THIS IS PROPOSED SECTION  
11 18290, AMENDMENT OF CLOSURE AND POSTCLOSURE MAINTENANCE  
12 PLANS.

13 "SUBSECTION A: CLOSURE AND POSTCLOSURE  
14 MAINTENANCE PLANS SHALL BE SUBMITTED FOR AMENDMENT EVERY  
15 TIME A REVIEW IS CONDUCTED PURSUANT TO SECTION 18213(B)  
16 OF THIS CHAPTER." AND THAT'S THE FIVE-YEAR PERMIT REVIEW  
17 PROCESS.

18 "THE FORM OF APPLICATION SHALL BE IN  
19 ACCORDANCE TO SECTION 18285 AND 18286 ABOVE. THE  
20 EVALUATION AND APPROVAL OF THE PLAN AMENDMENTS SHALL BE  
21 AS SPECIFIED UNDER SECTION 18288 AND 18289, ABOVE.

22 "SUBSECTION B: THE PLAN SHALL BE AMENDED TO  
23 REFLECT THE FOLLOWING:

24 "SUBSECTION 1: A CHANGE IN OPERATING PLANS OR  
25 FACILITY DESIGN WHICH WOULD AFFECT THE IMPLEMENTATION OF



1 THE CLOSURE AND/OR POSTCLOSURE MAINTENANCE PLANS.

2 "SUBSECTION 2: A CHANGE IN THE ANTICIPATED  
3 YEAR OF CLOSURE.

4 "SUBSECTION 3: A CHANGE IN THE FINANCIAL  
5 MECHANISM REQUIRED PURSUANT TO SECTION 66796.22(B) OF THE  
6 GOVERNMENT CODE, IF THAT MECHANISM HAS BEEN CANCELED.  
7 ANY AMENDMENTS MADE UNDER THIS SUBSECTION SHALL INCLUDE  
8 DOCUMENTATION VERIFYING THE CANCELLATION OF THE PREVIOUS  
9 MECHANISM."

10 I'D LIKE TO POINT OUT THE REASON FOR THIS  
11 SECTION RIGHT HERE AND THE LIMITATION ON THE CHANGE IN  
12 THE FINANCIAL MECHANISM TO CANCELLATION IS STAFF FELT  
13 AND, SOLICITING BOARD COMMENT IN THIS AREA, THAT IT WOULD  
14 NOT BE IN THE INTENT OF THE STATUTE TO ALLOW A FACILITY  
15 TO, REGARDLESS OF CIRCUMSTANCE, DECIDE IN, LET'S SAY,  
16 YEAR 10, THAT THEY WANTED TO ALL OF A SUDDEN CHANGE A  
17 MECHANISM.

18 IF YOU, FOR EXAMPLE, WERE OPERATING UNDER A  
19 TRUST FUND AND ALL OF A SUDDEN DECIDED YOU WANTED TO  
20 CHANGE BECAUSE YOU NEEDED THAT MONEY, AND YOU CHANGED TO  
21 A DIFFERENT TYPE OF MECHANISM, TWO THINGS WOULD OCCUR.  
22 ONE, THE MONEY THAT YOU HAD SET ASIDE WOULD NO LONGER BE  
23 AVAILABLE; AND, TWO, IF YOU WERE GOING TO ANTICIPATE THAT  
24 YOUR YEAR OF CLOSURE WOULD BE FIVE YEARS DOWN THE ROAD,  
25 THAT WOULD NOT LEAVE YOU WITH SUFFICIENT TIME TO BUILD UP



1 THE NECESSARY FUNDS DEPENDING UPON THE MECHANISM THAT YOU  
2 CHOSE IN THE EVENT THAT YOU DECIDED TO CHANGE. SO THAT'S  
3 THE REASON FOR THE LIMITATION ON THE CHANGE IN MECHANISM.

4 "SUBSECTION 4: UPDATE IN THE COST ESTIMATES  
5 IS REQUIRED BY SECTION 66796.22(B) OF THE GOVERNMENT CODE  
6 TO REFLECT ANY CHANGES OUTLINED UNDER SUBSECTIONS 1 AND  
7 2. THIS UPDATE SHALL ALSO BE ADJUSTED FOR INFLATION  
8 WHICH HAS OCCURRED SINCE THE PREVIOUS APPROVAL.

9 "SUBSECTION C: THE OPERATOR SHALL SUBMIT BY  
10 JULY 1, COVERING THE PREVIOUS CALENDAR YEAR, A REPORT  
11 CALCULATING THE INCREASE IN THE COST ESTIMATES DUE TO  
12 INFLATIONARY FACTORS. THE OPERATOR MAY INCREASE THE  
13 MONITORING AMOUNT OF THE FINANCIAL MECHANISM REQUIRED  
14 UNDER SECTION 66796.22(B) OF THE GOVERNMENT CODE BASED  
15 UPON THIS WRITTEN ESTIMATE. THE MECHANISM MAY NOT BE  
16 DECREASED OTHER THAN AS A RESULT OF THE CLOSURE AND  
17 POSTCLOSURE PLAN AMENDMENT PROCESS."

18 SO THIS SUBSECTION IS IN ORDER TO ALLOW THE  
19 ADJUSTMENT, NECESSARY ADJUSTMENTS, TO THE COST ESTIMATES  
20 ON AN ANNUAL BASIS WITHOUT HAVING TO GO THROUGH A FULL  
21 BLOWN AMENDMENT PROCESS.

22 ARE THERE ANY COMMENTS OR QUESTIONS ON THIS  
23 SECTION OR ANY OF THE PREVIOUS SECTIONS?

24 BOARD MEMBER GALLAGHER: I ONLY HAD -- NOT A  
25 CONCERN, BUT I'M WONDERING IF THERE SHOULD NOT BE SOME



1 KIND OF LANGUAGE WRITTEN IN HERE WHICH WOULD GUIDE THE  
2 ENFORCEMENT AGENCY, WHOMEVER THAT MIGHT BE, TO LOOK FOR  
3 THINGS SUCH AS A CHANGE IN OPERATING PLANS OF FACILITIES  
4 DESIGN, WHICH WOULD AFFECT THE IMPLEMENTATION OF THE  
5 CLOSURE PLANTS. NOW, THEY'RE GOING TO BE MAKING  
6 CONTINUAL INSPECTIONS, AND IT SEEMS TO ME WE OUGHT TO  
7 HAVE SOME LANGUAGE IN THIS SECTION WHICH WOULD POINT OUT  
8 TO THEM THE IMPORTANCE OF LOOKING FOR THIS EVERY TIME  
9 THEY'RE ON AN INSPECTION. THEY CAN'T REALLY MAKE VERY  
10 MUCH COMMENTS OR MANY COMMENTS WITH REGARDS TO THE  
11 FINANCING OF THE PLAN, BUT CERTAINLY FROM AN OPERATING  
12 AND PROCEDURAL POINT, THEY SHOULD BE THE LEAD AGENCY IN  
13 LOOKING FOR THESE CHANGES WHICH MAY AFFECT THE WHOLE  
14 PLAN.

15 MS. TRGOVCICH: THAT'S A VERY GOOD POINT AND THAT'S  
16 ONE THAT WE REALLY HADN'T DISCUSSED IN ANY OF THE BLOCKS  
17 OF REGULATIONS BROUGHT BEFORE YOU THUS FAR.

18 WITH AN OPERATING FACILITY, WHEN THE LOCAL  
19 ENFORCEMENT AGENCY OR OUR STAFF GOES OUT TO THE FACILITY  
20 TO INSPECT THE FACILITY, THEY WILL MANY TIMES NOT  
21 NECESSARILY TAKE WITH THEM, BUT REVIEW THE RDSI TO MAKE  
22 SURE THAT THE CURRENT OPERATING PRACTICES ARE, IN FACT,  
23 WHAT IS REFLECTED IN THE RDSI. THAT WOULD BE SOMETHING  
24 THAT WOULD, IN FACT, BE BENEFICIAL, I WOULD THINK, IN THE  
25 AREA OF CLOSURE AND POSTCLOSURE MAINTENANCE. BECAUSE



1 IT'S POSSIBLE, AS YOU SAY, THAT THEY COULD CLAIM THAT  
2 CERTAIN DESIGN OR OTHER CHANGES HAVE BEEN MADE, AND THAT  
3 MAY, IN FACT, LEAD TO SIGNIFICANT CHANGES IN THE CONTROL  
4 METHOD OR OTHER SORT OF COLLECTION METHOD OR OTHER THAT  
5 THEY PLAN FOR THAT SITE IN THE EVENT OF CLOSURE. AND IT  
6 MAY, IN FACT, BE AN ECONOMIC BENEFIT FOR THEM TO MAKE  
7 THAT ASSERTION EVEN THOUGH IT HAS NOT COME TO PASS.

8 BOARD MEMBER GALLAGHER: I KEEP GOING BACK MENTALLY  
9 TO THAT NIGHTMARE MOUNTAIN VIEW, WHERE THE CITY WAS THEIR  
10 OWN ENFORCEMENT AGENCY, AND WE HAD ILLEGAL DUMPING, AND  
11 THAT KIND OF THING KEEPS BUGGING ME A LITTLE BIT, THAT WE  
12 OUGHT TO HAVE SOMETHING IN THE REGULATIONS WHICH REQUIRE  
13 THAT THEY REPORT BACK AFTER INSPECTIONS OR WHAT HAVE YOU  
14 ANY CHANGES THAT MAY HAVE OCCURRED. AND I JUST THROW  
15 THAT OUT FOR WHATEVER IT'S WORTH.

16 MS. TRGOVCICH: THAT'S A VERY GOOD SUGGESTION, AND  
17 WE ARE IN THE PROCESS AS WELL, AND IT'S ANOTHER IN  
18 ADDITION TO THIS REGULATION REVIEW PROCESS OF REVIEWING  
19 ALL OUR OTHER STANDARDS, AND I WILL RECOMMEND THAT THAT  
20 BE INCLUDED IN THE INSPECTION PROCEDURES AREA. THAT'S A  
21 VERY GOOD SUGGESTION.

22 CHAIRMAN BEAUTROW: ANY OTHER COMMENTS? IS  
23 THERE --

24 MS. TRGOVCICH: I'D LIKE TO BRING UP ONE MORE POINT  
25 THAT MR. EOWAN JUST SUGGESTED, AND THIS MAY ALSO SATISFY



1 THINGS THAT AS PART OF THE AMENDMENT PROCESS THAT THE  
2 LOCAL ENFORCEMENT AGENCY WOULD BE REQUIRED TO CONDUCT AN  
3 INSPECTION TO ENSURE THAT WHAT IS BEING CLAIMED IN THE  
4 PLAN IS, IN FACT, COMPATIBLE WITH WHAT IS OCCURRING AT  
5 THE SITE.

6 BOARD MEMBER GALLAGHER: I GUESS THAT'S WHAT I'M  
7 DRIVING AT.

8 MS. TRGOVCICH: BUT WE COULD PUT THAT RIGHT IN  
9 HERE.

10 BOARD MEMBER GALLAGHER: YEAH, I THINK THAT SHOULD  
11 BE RIGHT IN THERE, THOUGH.

12 BOARD MEMBER VARNER: MAYBE ANOTHER TERMINOLOGY  
13 THERE, AND IT'S RIGHT ALONG WITH WHAT JOHN IS SAYING  
14 BECAUSE I WAS THINKING SOMEWHAT ALONG THE SAME LINE. IN  
15 OTHER WORDS, YOU MIGHT USE A TERMINOLOGY OF  
16 IRREGULARITIES. WHEN YOU FIND IRREGULARITIES, EITHER IN  
17 THE WAY THE PLAN IS BEING DONE OR ANY OTHER THINGS ON AN  
18 INSPECTION, THERE'S A LOT OF OTHER THINGS YOU ARE GOING  
19 TO LOOK AT, THEN IT OUGHT TO BE BROUGHT TO THE ATTENTION  
20 SO THAT SOME THINGS CAN BE DONE ABOUT IT SO THAT WE'RE  
21 NOT FACED WITH SOMETHING THAT IS TWO OR THREE OR FOUR  
22 YEARS OLD, AS WE RUN CROSS OCCASIONALLY, AND THEN PEOPLE  
23 WONDER WHY SOME ACTION HASN'T BEEN TAKEN. SO MAYBE IT  
24 HASN'T BEEN TAKEN IN THE PAST BECAUSE THERE WASN'T CLEAR  
25 DIRECTION. SO WE'RE TOUCHING ON SOME THINGS HERE, I



1 THINK, WILL BE HELPFUL TO STAFF AS WELL AS TO OUR BOARD.

2 CHAIRMAN BEAUTROW: ANY MORE COMMENTS? IS THERE  
3 ANY COMMENTS FROM THE AUDIENCE ON THIS PARTICULAR  
4 SECTION? HEARING NONE, THEN THESE ARE -- THERE'S NO  
5 FORMAL BOARD ACTION THAT HAS TO BE TAKEN, IS THERE?

6 MR. EOWAN: NO, JUST FOR YOUR GUIDANCE.

7 CHAIRMAN BEAUTROW: PROCEED, THEN, WITH THE  
8 DEVELOPMENT.

9 MR. EOWAN: THANK YOU.

10 CHAIRMAN BEAUTROW: THE HOUR IS LATE. WE'VE SPENT  
11 ALL DAY ON THESE TWO ITEMS. AND, AGAIN, WE WANT TO THANK  
12 ALL OF YOU WHO DID COME AND PARTICIPATE, AND SO WE'LL  
13 ADJOURN THE MEETING TILL 9 O'CLOCK TOMORROW MORNING

14  
15 (END OF PROCEEDINGS.)  
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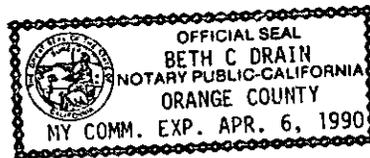
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REPORTER'S CERTIFICATE

I, BETH C. DRAIN, HEREBY CERTIFY THAT ON THE 10TH DAY OF AUGUST 1988, I DID REPORT IN SHORTHAND THE TESTIMONY AND PROCEEDINGS OF THE FOREGOING HEARING; THAT AT THE CONCLUSION OF THE ABOVE-ENTITLED MATTER, I DID TRANSCRIBE MY SHORTHAND NOTES INTO TYPEWRITING; AND THAT THE FOREGOING TRANSCRIPT IS A TRUE AND CORRECT COPY OF MY SHORTHAND NOTES THEREOF.

*Beth C. Drain*  
CERTIFIED SHORTHAND REPORTER

CERTIFICATE NO. 7152



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