

MEETING
STATE OF CALIFORNIA
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL MONTHLY BUSINESS MEETING

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COPY

Board Room
8800 Cal Center Drive
Sacramento, California

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THURSDAY, JULY 16, 1992

10:00 A.M.

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A P P E A R A N C E S

COMMITTEE MEMBERS:

Michael Frost, Chairman

Wesley Chesbro, Vice Chairman

Sam Egigian, Member

Jesse Huff, Member

Kathy Neal, Member

Paul Relis, Member

STAFF MEMBERS PRESENT:

Ralph Chandler, Executive Director

Steve Sphar, Assistant Chief Legal Counsel

Andrea Thomas, Committee Secretary

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1 P R O C E E D I N G S

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3 BOARD CHAIRMAN FROST: Good morning and
4 welcome to a special meeting of the California
5 Integrated Waste Management Board. This meeting was
6 called as a result of the volume of permit issues and
7 LEA certifications and designations the Board must
8 address this month.

9 The regular monthly meeting of the board will
10 be held on July 29th in Long Beach where other issues
11 will be discussed.

12 So could we start by roll call to establish
13 quorum?

14 BOARD SECRETARY THOMAS: Board members
15 Chesbro.

16 BOARD VICE CHAIRMAN CHESBRO: Present.

17 BOARD SECRETARY THOMAS: Huff.

18 BOARD MEMBER HUFF: Present.

19 BOARD SECRETARY THOMAS: Egigian.

20 BOARD MEMBER EGIGIAN: Here.

21 BOARD SECRETARY THOMAS: Neal.

22 BOARD MEMBER NEAL: Here.

23 BOARD SECRETARY THOMAS: Relis.

24 BOARD MEMBER RELIS: Here.

25 BOARD SECRETARY THOMAS: Chairman Frost.

1 BOARD CHAIRMAN FROST: Here.

2 First, are there any ex parte announcements
3 to make by any Board members?

4 Ms. Neal.

5 BOARD MEMBER NEAL: Just that I met
6 yesterday, it's not an item on agenda today, I haven't
7 reported it, with Yvonne Hunter and Denise Delmatier
8 and others regarding AB 3001. Saves me having to write
9 out the report.

10 BOARD CHAIRMAN FROST: Anyone else?

11 BOARD MEMBER RELIS: I was there too.

12 BOARD CHAIRMAN FROST: Mr. Egigian, was
13 there?

14 BOARD MEMBER EGIGIAN: Not in the same
15 meeting, but I was with them.

16 COMMITTEE VICE CHAIRMAN CHESBRO: I'll be
17 reporting on something I did yesterday under committee
18 reports and maybe we can count it as an ex parte so I
19 don't have to fill out the form for it.

20 BOARD CHAIRMAN FROST: All right. First,
21 before we get into that. For our consent calendar
22 today we have a number of items on consent. I will
23 read them.

24 Our consent items are numbers, items 5, 7, 8,
25 9, 10, 11, item 12 except for subitems K and L, items

1 14, 15, and 16.

2 So it's, again, items 5, 7, 8, 9, 10, 11,
3 item 12 except for sub items K and L, items 14, 15, and
4 16 constitute the consent calendar for today.

5 Before we take a vote on the consent
6 calendar, is there any member of the Board or public
7 that wishes to pull any item from the consent item for
8 discussion?

9 Okay, hearing none then could we have a
10 motion on the consent calendar?

11 BOARD MEMBER HUFF: Move it.

12 BOARD VICE CHAIRMAN CHESBRO: Second.

13 BOARD MEMBER NEAL: Seconded.

14 BOARD CHAIRMAN FROST: Okay, moved by Mr.
15 Huff, seconded by Chesbro.

16 Call the roll, please.

17 BOARD SECRETARY THOMAS: Board members
18 Chesbro.

19 BOARD VICE CHAIRMAN CHESBRO: Aye.

20 COMMITTEE SECRETARY KELLY: Huff.

21 BOARD MEMBER HUFF: Aye.

22 COMMITTEE SECRETARY KELLY: Egigian.

23 BOARD MEMBER EGIGIAN: Aye.

24 COMMITTEE SECRETARY KELLY: Relis.

25 BOARD MEMBER RELIS: Aye.

1 COMMITTEE SECRETARY KELLY: Neal.

2 COMMITTEE CHAIRMAN NEAL: Aye.

3 COMMITTEE SECRETARY KELLY: Chairman Frost.

4 BOARD CHAIRMAN FROST: Aye.

5 Now in addition there are a few items that
6 have been pulled from the agenda and they are items 3,
7 subitems K and L from item 12, and those 2 subitems
8 will be heard at the July 29th meeting, items 13, 17,
9 and 18. So items 3, 13, 17, and 18 have been pulled,
10 and subitems K and L from item 12 have been moved to
11 the July 29th Board meeting.

12 Now that takes us to our item on reports.

13 BOARD MEMBER HUFF: We'll be adjourned.

14 BOARD CHAIRMAN FROST: Mr. Huff is
15 recognized.

16 That takes us to reports of the Board's
17 committees, item 2.

18 Since this is not a regularly scheduled Board
19 meeting, our regular committee reports will be given on
20 July 29th. However, if there are any committee chair
21 that would like to report anything at this time I will
22 call on you now.

23 I think, Mr. Huff, this is, you're going to
24 set the stage for the agenda today, so I'll call on you
25 last. But anyone else before Mr. Huff who would like

1 to -- Ms. Neal.

2 BOARD MEMBER NEAL: Yeah. I'm going to
3 reserve the bulk of my report for the Board meeting at
4 Long Beach. However I did want to mention an editorial
5 that appeared in today's "Sacramento Bee" addressed to
6 our new recycling market development zones. And it's
7 not often that I like to say that, you know, point at
8 something that's in the Bee, but this was very positive
9 and very supportive of our zones.

10 And I will read just the last sentence which
11 says, "The hope is that someday the trash we once
12 buried will create jobs and turn a profit at the same
13 time."

14 So I just wanted to call everyone's attention
15 to that. You may want to look at a copy of the paper
16 and read the entire editorial. It's called
17 "California's New Trash Markets."

18 BOARD CHAIRMAN FROST: Yeah, it was a very
19 good editorial.

20 Okay. Mr. Chesbro.

21 COMMITTEE VICE CHAIRMAN CHESBRO: On the same
22 subject. Yesterday I went to Riverside and San
23 Bernardino Counties to the Agua Marnsa market
24 development zone to make the presentation of the
25 designation to the zone which was made up of three

1 cities and two counties. It's a cooperative effort.
2 And I just have to tell you it was a terrific
3 experience.

4 There were probably 50 local elected
5 officials and local business people there, all of whom
6 are extremely enthusiastic. And there was also
7 considerable press coverage of the news media in
8 Riverside and San Bernardino Counties.

9 And they have, at the meeting there was a
10 representative of the company, a plastics manufacturing
11 company that is currently negotiating for a parcel
12 within the zone and is planning to be, what may turn
13 out to be our first business that is locating in the
14 zone and taking advantage of all of the incentives and
15 the package that the zones constitute.

16 So this is already moving beyond the idea
17 stage, the concept stage, into reality. And I felt
18 real lucky to be there.

19 And incidentally they were very happy to have
20 Board representation there. Riverside, San Bernardino
21 Counties I think sometimes feel neglected because
22 they're surrounded by counties with higher populations
23 that get more publicity and press and image, and they
24 were very, very appreciative of the attention.

25 And at some point within the next year I

1 think we might want to consider a Board meeting in
2 either San Bernardino or Riverside Counties because
3 they really, they really lapped it up. I think they
4 appreciated the fact that the State, or Board has taken
5 an interest in their concerns and problems. And I
6 think it would be worth us solidifying that
7 relationship.

8 BOARD MEMBER HUFF: I think we ought to meet
9 in Riverside.

10 BOARD CHAIRMAN FROST: Ms. Neal.

11 BOARD MEMBER NEAL: Board members can reserve
12 their thanks to me until later, but I volunteered to
13 make the trek to Porterville to present their
14 certificate. And that's going to be at 7:00 o'clock at
15 night at the Board of Supervisors, and I'll be coming
16 back to Sacramento afterward. So flowers are
17 appropriate. I'm trying to lose some weight, don't
18 send candy.

19 BOARD MEMBER HUFF: Porterville has no better
20 friend on this Board.

21 BOARD CHAIRMAN FROST: You're doing
22 Porterville, I'm doing Oroville.

23 BOARD VICE CHAIRMAN CHESBRO: Oroville's
24 closer than Porterville I might add.

25 BOARD CHAIRMAN FROST: Yeah, I guess it is.

1 You talk about a county that feels neglected though, we
2 ought to meet there something, try Modoc County.

3 Okay, anyone else? Mr. Egigian.

4 BOARD MEMBER EGIGIAN: Mr. Chairman, I had
5 the same honor last Tuesday, along with people from our
6 staff, and our Mr. Ralph Chandler was there, we were in
7 Long Beach and presented to Mayor Zell the authorized
8 certificate that they were in the recycling market
9 development zone. There was a lot of handshaking, a
10 lot of picture taking. They gave me a cup and a hat
11 that the surf is up. And I'll send you each one part
12 of those.

13 BOARD MEMBER RELIS: The surf is up?

14 BOARD MEMBER EGIGIAN: The surf is up.

15 So before I turn it over to Mr. Chandler,
16 next week I'll be in Los Angeles along with several
17 other members of this Board, Ms. Neal and Mr. Relis, to
18 make the presentation to the City of Los Angeles.

19 Mr. Chandler.

20 EXECUTIVE DIRECTOR CHANDLER: Board members,
21 to round out the day in Long Beach, I think Mr. Egigian
22 had business up here in Sacramento and I took the baton
23 if you will and met with the "Long Beach Press
24 Telegram" and a couple of radio stations who were
25 similarly very interested in the program. I suspect

1 that we'll see some local press shortly from that
2 paper. And I know that the environmental newscasts are
3 going to air this week at radio stations that wanted to
4 feature the zone program.

5 So I think we were, again, very successful in
6 providing a good overview of the program for the local
7 community in Long Beach as well.

8 Thank you.

9 BOARD CHAIRMAN FROST: Okay. Mr. Relis, did
10 you have anything to report?

11 BOARD MEMBER RELIS: Just when we get to the
12 Planning Committee.

13 BOARD CHAIRMAN FROST: Okay. All right.
14 Let's, I'll call on you when we get to item six, is
15 that all right?

16 BOARD MEMBER RELIS: That's fine.

17 BOARD MEMBER HUFF: That's fine, either way.

18 BOARD CHAIRMAN FROST: Well why don't you go
19 ahead, Mr. Huff. Go ahead.

20 BOARD MEMBER HUFF: Let's do it now. I mean
21 most of the items we already did on the consent
22 calendar and I, this is going to be the only word
23 spoken about most of them.

24 I'd like to take a minute to talk about the
25 LEA certification process which is nearing completion.

1 With the approval of the items on the consent calendar,
2 the vast majority of the local enforcement agencies
3 have now been certified, either fully or temporary.
4 When this process is completed there will be a total of
5 60 local enforcement agencies in the state, 57 counties
6 and three cities, the cities of Los Angeles, San Jose,
7 and West Covina.

8 This Board will be acting as the LEA in three
9 of these counties, and there's an item of discussion
10 about that. They are Del Norte, Stanislaus, and Santa
11 Cruz. Additionally we will be the LEA at the
12 McCourtney Road Landfill in Nevada County, although
13 Nevada County will be exercising the authority outside
14 of the McCourtney Road Landfill area.

15 This has been a very arduous process. We had
16 a deadline of August 1st and we're meeting our deadline
17 to complete it.

18 And I'd like to thank publicly Mary Coyle and
19 her staff for all their hard work. By all accounts
20 they've done an outstanding job in what has been a
21 monumental task. We get that report back from county
22 after county who have gone through the process, that
23 they found that our staff has been helpful.

24 Just the development of the regs was a
25 year-long process. Then for seven months, nine members

1 of our Board staff have been working full-time on this
2 program, interacting directly with counties and cities
3 to explain the certification process, providing
4 technical expertise, and assisting with the development
5 of their programs, and then analyzing and evaluating
6 the designation packages and enforcement plans for
7 certification.

8 This process has also involved a tremendous
9 task for the local enforcement agencies. Many have had
10 to make significant changes and new financial
11 commitments to bring their programs in line with our
12 new regulations. We certainly want to thank them for
13 their commitment and cooperation throughout the
14 certification process.

15 BOARD CHAIRMAN FROST: Okay. Thank you, Mr.
16 Huff.

17 Now we will move to item 4 which is
18 consideration of an inter-agency agreement with the
19 Board of Equalization for collection of tire recycling
20 fees.

21 Dennis Meyers from our staff will make this
22 presentation.

23 MR. MEYERS: Good morning, Board members.
24 This item is to present to you for renewal an agreement
25 with the Board of Equalization to collect the tire

1 recycling fee.

2 This fee was enacted when the California Tire
3 Recycling Act, and is a fee of 25 cents per tire that's
4 paid on every tire left for disposal with tire dealers,
5 that began on July 1, 1990.

6 All these fees are deposited into the
7 California Tire Recycling Management fund. Throughout
8 fiscal year 1991-92, a total of \$3,510,677 were
9 collected in fees for deposit into that fund. The
10 Board is empowered to do this by Public Resources Code
11 Section 42885. It can do it itself or hire an agent to
12 do it.

13 At the initiation of this program the Board
14 elected to utilize the Board of Equalization to collect
15 these fees which are paid quarterly by approximately
16 12,000 fee payers statewide.

17 Our current inter-agency agreement expired at
18 the end of last fiscal year. And the current agreement
19 that you have before you is essentially identical to
20 last year's agreement, however the cost to the Board
21 for doing this has fallen from \$492,000 down to a
22 \$471,000. This reduction is primarily the result of no
23 more need for equipment purchases by the Board of
24 Equalization. However all the other terms and
25 conditions remain the same.

1 In brief, the Board of Equalization, or the
2 terms of agreement call for the CIWMB to reimburse the
3 Board of Equalization for all its costs of collecting.
4 And the Board of Equalization agrees to provide all
5 information to the Board to identify sellers, to assign
6 account numbers, update registration information, print
7 and mail returns, deposit money, review returns with
8 their own in-house experts on tax returns, to assess
9 fees, penalties, and interests, and provide periodic
10 reports to the Board on the progress of fee collections
11 and deposits.

12 So at this time staff is requesting the
13 Board's approval of a new agreement with the Board of
14 Equalization for, to cover fiscal year 1992-93. And
15 for a total of \$471,000.

16 BOARD CHAIRMAN FROST: Okay. Any questions?

17 BOARD MEMBER EGIGIAN: Yes, Mr. Chairman.

18 BOARD CHAIRMAN FROST: Yes, Mr. Egigian.

19 BOARD MEMBER EGIGIAN: We've had quite a few
20 workshops in our committee on the tires. And it
21 appears that in a very short time, if everything is
22 implemented, the tires will not any longer be a waste
23 item they'll be a commodity. What will this do to our
24 deal with the Board of Equalization?

25 MR. MEYERS: Well these fees are paid on

1 tires left for disposal at new tire dealers to pay for
2 the programs to recycle the used tires. So essentially
3 we're receiving fees on the sale of new tires not
4 necessarily on the recycling of old tires. So as long
5 as the program is successful we'd still be receiving
6 fees on the new tire sales essentially.

7 Right now it's, the technical wording in the
8 law is that it's a fee on tires left for disposal and
9 it makes no credits for whether they're recycled or
10 not.

11 BOARD MEMBER EGIGIAN: The thing I can't
12 understand, if they're no longer a problem and now the
13 dealers are looking for these tires because they'll be
14 able to sell them, why should we be collecting that
15 money? What's the purpose of that?

16 MR. MEYERS: I'm not sure what the sunset
17 feature is in the act, because it lays out a variety of
18 options the Board has of loans, grants, or subsidies.
19 And I believe it would depend on the success and the
20 nature of the program we enact to recycle the tires.
21 If further support for such a program was needed I
22 assume the fee could continue.

23 BOARD CHAIRMAN FROST: Ms. Neal, then Mr.
24 Huff.

25 BOARD MEMBER NEAL: Yeah, Dennis, it seems to

1 me that at some point there may not be a need for
2 collection of a fee because the problem's been solved,
3 but isn't that still a long way off? I mean, do you
4 have any projection? We've got stockpiles all over the
5 state and the supply keeps coming in.

6 MR. MEYERS: Yeah, I have no estimate of how
7 long we need to support a program. The fund's going to
8 change over time from, my limited understanding of the
9 recycled tire market is that, you know, something that
10 we need to do today may not be the exact same thing we
11 need to do four or five years from now. So that we
12 couldn't predict what we'd have to do three or four
13 years hence.

14 BOARD MEMBER NEAL: I know, for example, in
15 Oakland we're working with a company that desires to
16 establish a plant to remanufacture tires, but I must,
17 my senses are still not enough of that going on, so
18 that the program really will have life for awhile, is
19 that correct?

20 MR. MEYERS: That's my understanding. I
21 think the recycling program that the staff is proposing
22 is being dealt with through the Policy Committee, I
23 believe. The regulation for the loan subsidy and grant
24 program.

25 BOARD MEMBER NEAL: Thank you.

1 LEGAL COUNSEL SPHAR: Chairman Frost, Steve
2 Sphar here. I can answer Mr. Board member Egigian's
3 question.

4 As Dennis points out, the money collected
5 here does go to the programs which will help recycle
6 the tires, the grant programs, etcetera, that part of
7 the act that will hopefully encourage that type of
8 market and recycling activity. But the statute has its
9 own sunset clause in 1999.

10 So the intent of the statute is to go ahead,
11 start this fund, start this program, get the ball
12 rolling for grants and other recycling programs, and
13 then it will sunset unless the legislature decides that
14 it needs to be extended.

15 BOARD MEMBER EGIGIAN: Good. That answered
16 my question.

17 BOARD CHAIRMAN FROST: Okay, Mr. Huff.

18 BOARD MEMBER HUFF: That was what I was going
19 to say. A direct answer.

20 BOARD CHAIRMAN FROST: Do we need a motion to
21 approve the interagency agreement?

22 MR. MEYERS: Yes, I need the Board's approval
23 of it.

24 BOARD CHAIRMAN FROST: We need a motion then.

25 BOARD MEMBER HUFF: Why, what if the Board of

1 Equalization is consolidated with the Franchise Tax
2 Board?

3 BOARD CHAIRMAN FROST: The price will go up.

4 BOARD VICE CHAIRMAN CHESBRO: I'll move it.

5 BOARD MEMBER NEAL: Second.

6 BOARD CHAIRMAN FROST: Okay, moved and
7 seconded to approve this item.

8 Call roll, please.

9 BOARD SECRETARY THOMAS: Board members
10 Chesbro.

11 BOARD VICE CHAIRMAN CHESBRO: Aye.

12 COMMITTEE SECRETARY KELLY: Huff.

13 BOARD MEMBER HUFF: Aye.

14 COMMITTEE SECRETARY KELLY: Egigian.

15 BOARD MEMBER EGIGIAN: Aye.

16 COMMITTEE SECRETARY KELLY: Neal.

17 BOARD MEMBER NEAL: Aye.

18 COMMITTEE SECRETARY KELLY: Relis.

19 BOARD MEMBER RELIS: Aye.

20 COMMITTEE SECRETARY KELLY: Chairman Frost.

21 BOARD CHAIRMAN FROST: Aye.

22 Now that takes us to item six which is the
23 presentation of staff proposal for options to
24 strengthen the Integrated Waste Management Act of 1989.

25 Before we go into this item I'd like to call

1 on Mr. Relis.

2 BOARD MEMBER RELIS: Thank you, Mr. Chairman.

3 First I'd like to indicate that other issues
4 of the Planning Committee report will be presented at
5 the July 29 meeting in Long Beach.

6 Today we'll be discussing the staff proposal
7 to amend AB 939, both through statute and regulation.
8 And it's our input into that process. Staff's work
9 today represents over six months of effort both by
10 staff and the committee.

11 We wanted to put this on the calendar today
12 to give the Board ample time to hear the details of the
13 staff work in preparation for the Board meeting in Long
14 Beach where we hope to act on this matter.

15 I know that the staff worked all through the
16 weekend to get this material ready based on comments
17 received at the last committee meeting. And I wanted
18 to acknowledge the tremendous effort they made to do
19 this.

20 We've been working closely with all the
21 parties who've been providing input. I think we had
22 over 75 comments, and maybe more since the previous
23 staff report.

24 This effort I think represents a major step
25 forward in our ability to meet the goals of AB 939,

1 primarily because it will, it seeks to help local
2 jurisdictions to implement programs more efficiently
3 and in a more coordinated manner.

4 And that's the extent of my comments.

5 BOARD CHAIRMAN FROST: Thank you. I should
6 have announced this item is for information only, no
7 vote will be taken on the item today.

8 Mr. Chandler will introduce this item.

9 EXECUTIVE DIRECTOR CHANDLER: Thank you, Mr.
10 Chairman. This is a very significant item for the
11 Board's discussion and consideration today. And as you
12 just pointed out, will be also featured at the Board
13 meeting at the end of the month.

14 I'd like to make a few introductory remarks
15 prior to introducing the staff to get into the
16 technical presentation. I think, as each of you are
17 aware, the Integrated Waste Management Act created a
18 comprehensive planning requirement that extended beyond
19 the traditional planning requirements for solid waste
20 management.

21 The Board and its staff spent considerable
22 effort on developing regulations to administer these
23 new programs. Members of the Board and especially
24 members of the Planning Committee have recognized that
25 the progress and success of this program is being

1 hampered by the complexity and costs associated not
2 only with the implementation requirements, but perhaps
3 with the law itself.

4 The Planning Committee has been working on
5 this issue since late 1991 and has focused considerable
6 effort both in terms of committee member time as well
7 as staff resources to develop the proposed system that
8 will reduce the complexity and costs to local
9 jurisdictions for waste management planning and
10 implementation of waste diversion programs.

11 The specific concerns that we have heard by
12 the regulated community, by the legislature, by the
13 Board and staff that are being addressed in the
14 proposal today deal with, number one, the difficulty to
15 obtain accurate information on the quantities and types
16 of solid waste that is recycled.

17 Number two, the difficulty to quantify source
18 reduction.

19 Number three, that jurisdictions must rely on
20 the voluntary cooperation of the private sector
21 recyclers and volunteer groups for this information,

22 And four, that many jurisdictions have said
23 that solid waste generation studies and planning
24 activities which are required by law are very costly.
25 The measurement of actual waste diversion is considered

1 by many jurisdictions to be the most costly
2 requirement.

3 For each of these concerns which I've just
4 summarized, many parties have stated that the current
5 jurisdiction-specific approach in the law is an
6 impediment to the successful implementation of regional
7 solutions to solid waste management problems.

8 I believe the staff proposal reduces the cost
9 of the current planning and reporting efforts so that
10 time, efforts, and funds can be directed to implement
11 waste diversion programs.

12 I think it's particularly incumbent on staff
13 in a time in which local jurisdictions are facing ever
14 increasing tight budgets that we pay particular
15 attention and have particular sensitivity to the state
16 mandated programs that are being asked of local
17 jurisdictions and carried out in cooperation with the
18 regulated community.

19 To further frame this issue I'd like to just
20 ask Dorothy Fettig, Director of Legislative Affairs, to
21 just cap for the Board where this issue stands in the
22 legislature with regard to a couple of vehicles that
23 are out there. And then I will turn it over to staff.

24 And thank you, Mr. Relis, for acknowledging
25 the staff. They have put in a considerable effort,

1 particularly over these last couple of weeks since your
2 last Planning Committee meeting.

3 DIRECTOR FETTIG: Mr. Chairman, Board
4 members. As you know, there are two bills in the
5 legislative process right now which address many of the
6 the issues in the staff proposal. In fact, I think
7 it's fair to say that the staff proposal and the two
8 bills do address the same issues. They do it in
9 different ways, but I think there is general consensus
10 about the issues in AB 939 that need to be addressed,
11 and folks are working out the details of that.

12 I would also say that the staff proposal and
13 its development has played a very important role in the
14 furthering of these legislative proposals, and folks in
15 the legislature are awaiting a final determination by
16 the Board on the staff proposal, whether it is going to
17 be something that the Board would wish to promote, and
18 the exact wording of the proposal.

19 In particular one author has indicated that
20 in general he embraces the concepts in the staff
21 proposal and hopes to work with it in terms of
22 developing amendments for legislation.

23 And as you know, the session does end August
24 31st, so we're under some constraints to start melding
25 this proposal, if it's the will of the Board, into

1 legislative language within the next month and a half.

2 EXECUTIVE DIRECTOR CHANDLER: With that I'd
3 like to introduce Lorraine Van Kekerix of the Planning
4 and Assistance Division. She'll, I believe, along with
5 Judy Friedman, will lead the staff effort in presenting
6 the technical overview today.

7 MS. VAN KEKERIX: Good morning Board members.
8 My name is Lorraine Van Kekerix, and I'm in the Waste
9 Generation Analysis and Environmental Review Branch.

10 Staff will present its revised proposal to
11 strengthen the Integrated Waste Management Act for
12 discussion here today. Board consideration and
13 possible adoption of this item is scheduled for the
14 July 29th Board meeting in Long Beach.

15 We put out 50 copies of the revised staff
16 proposal and an errata sheet on the back table. So
17 people may wish to get a copy. If there are none we'll
18 put out a list and people can sign up and we'll send it
19 to them as soon as possible.

20 I will be giving you some brief background
21 before we present the major points of the proposal.

22 Since the passage of the Integrated Waste
23 Management Act, concern has developed about the
24 complexity and costs of the planning process and
25 implementing waste diversion programs as Mr. Chandler

1 just explained.

2 The Planning Committee has directed the staff
3 to analyze proposals to change the existing planning
4 process and propose a staff diversion quantification
5 system. The Planning Committee adopted the staff
6 proposal in concept at its May meeting and directed
7 that the staff proposal be sent out for review and
8 comment.

9 It was sent to 1,600 parties, including
10 jurisdictions. We received 79 response letters.

11 The Planning Committee then directed the
12 staff to analyze the responses characterize the
13 responses by the proposal if appropriate, and develop
14 options to the original proposal based on the comments,
15 and finally recommend options for Board consideration.

16 Staff throughout the Planning and Assistance
17 Division have been working cooperatively on this
18 effort. Today John Sitts with the Waste Generation and
19 Environmental Review Branch, and John Nuffer with the
20 Local Assistance Branch will present an overview of the
21 revised staff proposed system and recommendations.

22 John Sitts will address a change to a
23 disposal based reporting system to measure achievement
24 of diversion mandates, and the major reduction in
25 quantification of diversion by local jurisdictions.

1 John Nuffer will address formation of waste
2 management planning regions for the purposes of
3 planning, implementing programs, and meeting waste
4 diversion mandates. He will then address continuing
5 state assistance in the areas of market development,
6 source reduction, public education, research and
7 development, and diversion programs.

8 And finally, Judy Friedman will summarize the
9 staff proposal and recommended options.

10 The staff proposal is complex and therefore
11 staff will be using overheads to present the major
12 points so you can follow along by looking at the T.V.
13 screens.

14 At the end of the presentation John Sitts,
15 John Nuffer, Judy Friedman, and I will be available to
16 answer questions on the proposal.

17 Now I'll turn the presentation over to John
18 Sitts now.

19 MR. SITTS: Thank you, Lorraine.

20 Good morning, Chairman Frost and Board
21 members.

22 The staff proposal consists of four major
23 components as Lorraine said, disposal based reporting,
24 reduced diversion tracking, voluntary regionalization,
25 and continuing state assistance.

1 The organization of this presentation for
2 each component will be as follows. First we'll present
3 the highlights of the staff proposal. Next we'll
4 briefly discuss the public comments that were received
5 as a result of the circulation of the draft. Then
6 we'll present options which staff have developed as a
7 result of public comment and continuing analysis. For
8 each of these options we'll discuss the major
9 implementation issues. And finally we'll present the
10 staff's recommendation as to the preferred option.

11 The first component of the staff proposal is
12 disposal based reporting. Under the current generation
13 based system, jurisdictions must quantify all diversion
14 and all disposal to demonstrate their compliance with
15 the diversion mandates. As we've stated before, this
16 quantification has been very costly and will continue
17 to be costly as annual reports and continued monitoring
18 are required.

19 Under a disposal based reporting system the
20 focus will be on the amount of waste disposed, not the
21 amount generated. We would keep the 25 and 50
22 diversion goals, and all existing diversion would
23 count, except for those materials that were excluded by
24 the Board motion of March 25th of this year.

25 Compliance with the goals would be

1 demonstrated by a reduction in disposal amendments.
2 Current regulations require that each SRRE, or source
3 reduction recycling element, contain projections of the
4 amount of waste to be disposed, diverted, and generated
5 in subsequent years, including the goal years of 1995
6 and 2000.

7 No SRRE revisions would be required for this
8 proposal. Although we acknowledge that adjustments
9 would be needed to the projections, those could be
10 handled by letter from the jurisdictions to the Board
11 explaining the changes.

12 Because the mandates would be based solely on
13 disposal data, we will need an accurate disposal
14 tracking system. Currently the allocation of disposal
15 waste to the jurisdiction of origin is accomplished in
16 a cooperative manner between jurisdictions. So
17 jurisdictions using a facility will sit around a table
18 and decide how much each contributed to that facility.

19 There have been some disagreements on that
20 allocation process already. And staff feels that in
21 1995 when there are diversion mandates and potential
22 fines for not meeting them, the required cooperation
23 may not be existent at that point. So we're looking
24 for a system in which we can accurately track disposal.

25 Under this proposal, disposal facilities

1 would be required to submit disposal tracking reports
2 to the county in which they are located which detail
3 the amount, either by weight or volume, and the origin
4 of the waste disposed. The county would aggregate the
5 data and make it available to jurisdictions and to the
6 Board for use in our database and for planning and
7 market development efforts.

8 Of the comments received, approximately 42
9 percent supported a disposal based reporting system as
10 was described in the proposal, with minor
11 clarifications or minor changes. Another 36 percent
12 supported the concept of disposal based reporting. So
13 approximately 78 percent at least supported the
14 concept.

15 Of those that did not support the concept,
16 five percent disagreed, but they wanted to change the
17 present system, and 17 percent wanted to keep the
18 present system.

19 One of the comments that we received
20 suggested our first option as a way to reduce any
21 additional cost to disposal facility operators.

22 Under disposal option one, the allocation of
23 disposal amendments to the jurisdictions of origin
24 would be based on periodic tracking surveys. The
25 landfill or transformation facility operator would, on

1 a periodic basis, ask haulers about the jurisdiction of
2 origin for each load delivered.

3 COMMITTEE VICE CHAIRMAN CHESBRO: May I ask
4 what periodic means?

5 MR. SITTS: Yes. And as an example of that,
6 as an example of periodic we would set forth a number
7 of scenarios in the regulations which could be used by
8 local jurisdictions, and they could select the one
9 which best fit their local system.

10 An example would be one day per week or one
11 week per every two months, so you do reflect seasonal
12 variation and that type of --

13 COMMITTEE VICE CHAIRMAN CHESBRO: But it
14 would be year round intervals?

15 MR. SITTS: But it would be a year round, in
16 some interval of that type, yes.

17 Under disposal option two, the allocation of
18 disposal amounts to the jurisdictions of origin would
19 be based on systematic daily tracking. It would be
20 similar to disposal option one, except that the
21 disposal facility operator would record the amount of
22 waste and origin for every load delivered and disposed
23 of for every day of the year, or every day that they're
24 operating at least.

25 There are a number of implementation issues

1 for each option. First, disposal option one would be
2 less costly to disposal facilities because tracking
3 would not be required every day, which therefore would
4 lead to less paperwork, and less potential disruption
5 of traffic flow and daily operation. It would produce
6 less comprehensive data. But if done properly, as
7 would be required by statute and regulation, periodic
8 sampling is certainly accepted as an accurate
9 scientific method.

10 Disposal option two would be more costly to
11 disposal facilities, requiring daily recordkeeping
12 every day of the year, which would lead to more
13 paperwork and more potential for disruption of the
14 daily routine and traffic flow at disposal facilities.

15 Disposal option two would produce more
16 comprehensive data because there would be data on every
17 load delivered. However if the tracking proved to be a
18 heavy burden, some facilities might be unable or
19 unwilling to participate fully, and the accuracy of the
20 data could be compromised.

21 Board staff recommends disposal option one,
22 the use of periodic tracking surveys, because it would
23 be more cost effective and place less of a burden in
24 both time and money on disposal facilities while still
25 accurately delivering the needed disposal information

1 for use by local jurisdictions and the Board.

2 BOARD CHAIRMAN FROST: Do you want us, can we
3 ask questions as you go along or would you rather we
4 wait until you've completed your presentation?

5 MR. SITTS: Either option.

6 BOARD CHAIRMAN FROST: I just want to make
7 sure I understand this. The question of daily tracking
8 versus periodic tracking. Obviously the amount of
9 waste going into the landfill is going to be tracked
10 every load?

11 MR. SITTS: Yes.

12 BOARD CHAIRMAN FROST: So what we're talking
13 about is trying to trace the origin of a load.

14 MR. SITTS: Yes, for the city of origin,
15 right.

16 BOARD CHAIRMAN FROST: Yeah. Is that
17 necessity for that mitigated somehow by pooling?

18 MR. SITTS: If we have regionalization?

19 BOARD CHAIRMAN FROST: Yeah.

20 MR. SITTS: Yes. For a region that consists
21 of the entire landfill service area, they would only
22 record this came from region one or from something
23 outside that region. So yes.

24 BOARD CHAIRMAN FROST: Because that is a,
25 seems to me that's a significant complication if you're

1 trying to track, trace the origin, no matter how you do
2 it, of every single load coming into the landfill.

3 COMMITTEE VICE CHAIRMAN CHESBRO: The other
4 thing that occurs to me is just, I know you were just
5 citing it as an example and this would have to be
6 worked out in the regulatory process so I don't want to
7 spend a lot of time on this. But one thing that
8 occurred to me was that if you're talking about one day
9 a week, there could be variations depending on the time
10 of week as to the volumes that are coming from
11 different places, you know. One area might have more
12 volume on weekend or early in the week or something
13 like that than another area depending on what kind of
14 community it is.

15 MR. SITTS: And under any of these systems
16 there would be provisions for randomly selecting that
17 day so that you didn't sample every day on Friday
18 because there was low volume on that day or that time.
19 So I think that would be evened out over the year.

20 BOARD MEMBER RELIS: And just observation on
21 this. The generation based approach requires perhaps
22 an even more complicated tracking system. So I think
23 we have to bear in mind that we're contrasting to what
24 we have now.

25 BOARD CHAIRMAN FROST: Yeah, I'm just, but it

1 seems to me you could get to a real simple system if
2 you had the proper type of regionalization set up.

3 MR. SITTS: Yes, certainly for rural
4 jurisdictions that are going to be likely to form
5 regions, their tracking of disposal will be greatly
6 simplified.

7 BOARD CHAIRMAN FROST: Okay.

8 MR. SITTS: The next component of the staff
9 proposal is reduced diversion quantification.

10 Under the diversion current system are
11 required to quantify all public and all private
12 diversion activities, including source reduction
13 recycling and composting. They've done it through a
14 variety of methods including surveys and requesting
15 information on a voluntary basis from private
16 recyclers.

17 The staff proposal suggests reduced diversion
18 quantification. Because in a disposal based reporting
19 system compliance with the goals is not based on
20 diversion but rather on the amount of disposal or
21 amount that disposal is reduced, diversion data is not
22 as critical.

23 Diversion data is still needed by both the
24 Board and jurisdictions for market development,
25 research and development, and planning activities. But

1 the level of detail that's required is reduced.

2 Under this proposal each county would receive
3 mandatory diversion reports from jurisdictions on the
4 programs that they fund or operate, and from private
5 recyclers and composters on the amount of material
6 processed broken down by county of origin rather than
7 by jurisdiction of origin. This, by this way we can
8 reduce some of the problems that have come about with
9 regional facilities and trying to allocate diversion to
10 individual jurisdictions.

11 Jurisdictions would no longer be required to
12 quantify all private sector diversion. Source
13 reduction would not be quantified. Source reduction
14 has generally not been utilized to a high degree except
15 for a percent or two out of the 25 percent, because
16 under the current system it must be quantified in order
17 to count. Because no waste is generated, or material
18 handled in source reduction, it has been very difficult
19 for jurisdictions to quantify.

20 18 of the comments said that source reduction
21 would be a more attractive option if no quantification
22 were required.

23 Jurisdictions could still quantify it if they
24 wished, and Board contracts would still seek to
25 quantify the types of amounts and the effectiveness of

1 source reduction programs.

2 Of the public comments received,
3 approximately 40 percent support reduced diversion
4 quantification as described in the proposal with minor
5 changes or clarifications. Another 28 percent
6 supported the concept but wanted more substantial
7 changes. So approximately 70 percent agreed, at least
8 in concept.

9 Of those that did not support the proposal,
10 10 percent disagreed but wanted to change the current
11 system as well, while 20 percent wanted to keep the
12 present system.

13 Many comments suggested that the data be
14 submitted closer to the local level rather than to the
15 Board as was suggested in the original proposal for
16 compilation and distribution. And the revised proposal
17 does have the reports going to the county now. Of
18 course the Board still would receive copies of the
19 diversion and disposal data for inclusion in the Board
20 database and for use in market development and planning
21 activities.

22 Board staff identified two options in regard
23 to the mandatory reports that private recyclers and
24 composters would be required to submit to the county in
25 which they're located. With either option the Board

1 would supply a standardized format as was requested in
2 the comments.

3 Under disposal, diversion option one, private
4 recyclers and composters would report diversion by
5 amount and county of origin for final transactions
6 only. What we mean by final transactions would be when
7 a material is either sold to an in-processor, or
8 someone who transforms material into some other
9 material, or exported out of the state, or disposed of
10 if markets collapse or for some other reason.

11 Under diversion option two, private recyclers
12 and composters would report diversion by amount and
13 jurisdiction of origin for all transactions.

14 The implementation issues for the two options
15 are as follows. Diversion option one would be less
16 costly to private diversion facilities, and would be
17 less likely to impact the smaller recyclers who may not
18 be selling materials to end processors, because there
19 would be less tracking and less reporting required.

20 Because there would be less reporting,
21 diversion option one would produce less comprehensive
22 data. But the data collected would represent actual
23 diversion of material rather than stockpiling which
24 could be later disposed of, or just sales between
25 recyclers.

1 Diversion option two would be more costly to
2 private diversion facilities because of the requirement
3 to report every transaction. But more comprehensive
4 data would be produced. But this data may be difficult
5 to interpret due to double counting.

6 An example of double counting would be when a
7 small recycler sells a hundred tons of aluminum to a
8 medium sized recycler, which sells that hundred tons to
9 a large recycler, which finally sells it to an
10 in-processor.

11 Under option two you'd have four reports that
12 all reported a hundred tons of aluminum. And it would
13 be very difficult to say whether that hundred tons or
14 400 tons represented 400 tons or 100 tons, whereas in
15 option one because you're only looking at the end
16 processor you'd have a report for 100 tons.

17 BOARD MEMBER RELIS: Mr. Sitts, just a
18 question and clarification. I'm wondering if we might
19 want to, want to substitute recyclers for the term
20 collector and processor, because we aren't really
21 talking about recycling as yet. And could you just
22 explain, it's a collector and processor. What
23 constitutes the end use.

24 MR. SITTS: An end use?

25 BOARD MEMBER RELIS: Yes, because the focus

1 on option one is on end use with that system for the
2 tracking.

3 MR. SITTS: Could you refer to a page?

4 BOARD MEMBER RELIS: Oh, I'm sorry. Page 16,
5 diversion option one, third point down,

6 "Transactions between
7 recyclers or composters would not
8 be reported to the county unless
9 they represented end use."

10 MR. SITTS: Right. If a recycler also
11 manufactures aluminum cans into pats, then that would
12 be an end use. Something that you could no longer sell
13 as aluminum cans anymore. An end use would be
14 something which transforms the material or that
15 remanufactures it into something else.

16 BOARD MEMBER RELIS: So that transaction
17 would be tracked?

18 MR. SITTS: Yes.

19 BOARD MEMBER RELIS: But nothing in between
20 that under this?

21 MR. SITTS: No, because under the present
22 system one of the major problems was the amount of
23 double counting that was involved and the materials
24 that flow back and forth between recyclers and around
25 and through recyclers because oftentimes they're

1 funneled from smaller businesses to larger businesses
2 it's very different to determine.

3 BOARD MEMBER RELIS: So unless, again unless
4 the recycler and processor has a direct connection to
5 an end user, the bulk of this system will be, the
6 tracking will, as I understand it, will be between the
7 large processors and the end use market. The smaller
8 collectors will probably not be involved in this
9 tracking system to any large degree.

10 MR. SITTS: Yes. And that's part of the
11 reason why we designed it this way and why we're
12 looking at this option is to make it that the reports
13 are due from the larger businesses who could probably
14 handle doing those reports without it impacting their
15 business as much.

16 BOARD MEMBER RELIS: Okay. Thank you.

17 MR. SITTS: And again the, diversion option
18 two would produce more comprehensive data, but the
19 paperwork and reporting burden may be so great that
20 some diversion facilities would be unable or unwilling
21 to participate fully and therefore impact the accuracy
22 of that data as well.

23 Board staff recommends diversion option one,
24 the mandatory reporting of final transactions only,
25 because it would be more cost effective and it would be

1 less likely to negatively impact the businesses which
2 are diverting materials.

3 This option would require less paperwork and
4 less reporting therefore less time and money
5 committment from the recyclers and composters while
6 still yielding the needed diversion data for use by
7 local jurisdictions and by the Board.

8 If I don't have any more questions I'd like
9 to turn the floor over to John Nuffer of the Local
10 Assistance Branch for discussion of the next two
11 components of the staff proposal, regionalization and
12 continued state assistance.

13 MR. NUFF: Thank you, John.

14 Mr. Chairman, Board members. I'll talk about
15 the third and fourth components of the proposal,
16 regionalization, number three, and continued state
17 assistance, number four.

18 As background to regionalization, there were
19 three major issues of local concern which we believe
20 can be addressed by allowing regional compliance with
21 the diversion mandates.

22 The first concern is the cost of preparing
23 elements, plans, annual reports, and future plan
24 revisions.

25 The second is the duplication of effort that

1 often occurs when eight cities in the same region
2 sponsor the same public education programs.

3 Third is the lack of local resources to
4 develop adequate markets.

5 It's also important, I think, to understand
6 what we mean by region. I'd like to give you a couple
7 of examples.

8 The first is the Alameda County Waste
9 Management Authority. That authority consists of the
10 county, 12 cities, and two sanitation districts. And
11 as they describe it, they've been enormously successful
12 in doing regional planning.

13 The second is down in Riverside County, is
14 the Coachella Valley Association of Governments, CVAG
15 as it's called, which includes nine cities in the
16 county. They told me the other day that to do their
17 planning for AB 939 it cost them about 250,000 as a
18 group, which saved them at least 200,000 as a group,
19 and probably 25,000 per city. So it saves them a lot
20 of money to do it as a group on a regional basis.

21 The other thing I think it's important to
22 understand is what we mean by regional diversion.
23 We're not proposing to average diversion requirements
24 over a region, we're not proposing averaging diversion
25 percentages, we're simply proposing to add up what each

1 jurisdiction has to dispose of, and that will be the
2 regional total, the regional requirement.

3 As an example, if five cities each had to
4 dispose of 100 tons or reduce their disposal by 100
5 tons, then the region would have to reduce their
6 disposal by 500 tons. So it's simply adding up what
7 each city needs to reduce and that's the regional
8 total, the regional requirement.

9 BOARD CHAIRMAN FROST: Could I ask a
10 question?

11 MR. NUFF: Sure.

12 BOARD CHAIRMAN FROST: For example on what
13 you called CVAG.

14 MR. NUFF: Right.

15 BOARD MEMBER RELIS: Which is nine cities?

16 MR. NUFF: Yes.

17 BOARD CHAIRMAN FROST: And they've now formed
18 a region so we deal with them as if they are one
19 jurisdiction?

20 MR. NUFF: Yes.

21 BOARD CHAIRMAN FROST: If we were to fine
22 that jurisdiction for failing to meet their 939
23 requirements or mandates, is the fine a \$10,000 a day
24 limit for the nine cities in effect? In other words a
25 \$10,000 a day total limit on the fine?

1 MR. NUFF: Not for the region. And what
2 we're proposing is --

3 BOARD CHAIRMAN FROST: What is it now?
4 What's the limit now that we could fine those nine
5 cities?

6 MANAGER FRIEDMAN: Each city within that
7 region can get a \$10,000 a day fine, that's how the law
8 currently stands.

9 BOARD CHAIRMAN FROST: I know. But they're
10 not, they've formed this group with the other cities so
11 you can't single them out --

12 MANAGER FRIEDMAN: This group --

13 BOARD CHAIRMAN FROST: -- if you're trying to
14 deal with them as a group.

15 MANAGER FRIEDMAN: Under the current law this
16 group is only together for the purposes of planning and
17 creating their planning documents. It has no other
18 shared specific advantages such as sharing the
19 diversion goals or the fines. So what we're talking
20 about in our proposal is a way to move beyond what we
21 have now which is specific to each city.

22 BOARD CHAIRMAN FROST: Okay. And then what
23 would your proposal be if you do move into --

24 MR. NUFF: Well the proposal would be to have
25 each region, say CVAG. Right now they can, the law

1 allows them to do planning and implementation. This
2 would take it a step further so that they would be
3 allowed to comply with the diversion mandates on a
4 regional basis so there would be just one report if the
5 region met the 25 percent and 50 percent goals, then
6 everybody within that region has met the goal.

7 BOARD CHAIRMAN FROST: But then you would be
8 limited to a fine against the region not against each
9 individual city?

10 MR. NUFF: Well what we're proposing is the
11 total amount of the fine be equal to what it would have
12 been anyway.

13 BOARD CHAIRMAN FROST: So you're proposing
14 you could fine them \$90,000 a day.

15 MR. NUFF: Right, as the region. But the
16 region itself in setting up the planning body would
17 itself decide how the fines would be allocated.

18 BOARD CHAIRMAN FROST: I understand that, but
19 you're -- okay, that answered my question.

20 MR. NUFF: Okay. First, the staff proposal
21 is to allow voluntary, what we call waste management
22 planning regions, to share resources and create
23 economies of scale.

24 And incidentally there was a staff survey
25 done last February where staff talked with 26 counties.

1 21 of those counties said that they were either
2 proposing a regional solid waste management authority
3 or already had one.

4 The purpose of these regions is to make
5 things easier, to make it easier to comply with the
6 diversion requirements, to make it less costly so they
7 can do more with less and hopefully to maximize
8 diversion. There would be voluntary agreement between
9 the jurisdictions.

10 The jurisdictional, the bodies could include
11 cities, counties, and/or existing authorities or
12 districts. There would be local designation of
13 responsibility and accountability. So they would
14 decide who would be responsible for what and how fines
15 would be allocated if that were necessary.

16 And the Board would review the contract that
17 set up the region to ensure that there was
18 accountability, and who was responsible for what, and
19 what would happen if the region dissolved or if someone
20 left the region.

21 The comments we received. Approximately 40
22 percent of the comments supported the proposal as it
23 was written. Another 40 percent supported the concept
24 but wanted clarification about how we would establish,
25 about how they would establish or define regions or

1 resolve disputes or allocate fines. Only three
2 percent, which represented two letters, did not support
3 regionalization, although all the cities and counties
4 that sent us letters did support it. Specific comments
5 addressed them in the options which I'll talk about in
6 just a minute.

7 They asked for clarification of the concept
8 so we've identified who could be in a region and how
9 they would be established.

10 We've also talked about Board approval of
11 contracts. They didn't want the Board to approve every
12 line of the contract they wanted, so we're saying,
13 we're proposing that the Board review the important
14 aspects of the contract related to who's responsible
15 for what, how funds would be allocated, and what would
16 happen if the region dissolved.

17 We, the two options we came up. The first
18 option is a truly regional approach --

19 COMMITTEE VICE CHAIRMAN CHESBRO: Can I ask a
20 question?

21 MR. NUFF: Sure.

22 BOARD VICE CHAIRMAN CHESBRO: Sorry to
23 interrupt. When you say Board review, are you talking
24 about a staff level review or something that has to be
25 approved by the Board?

1 MR. NUFF: I'm talking about the staff
2 reviewing and Board approval of the contract.

3 BOARD VICE CHAIRMAN CHESBRO: That's an
4 important distinction as for example the SRRE reviews,
5 you know.

6 MR. NUFF: Right. Right.

7 BOARD VICE CHAIRMAN CHESBRO: Okay, thank
8 you.

9 MR. NUFF: Two two options. The first is a
10 truly regional approach where there's regional sharing
11 of planning and programming and also sharing of goals.
12 The region has one set of diversion goals.

13 The second option, which is in response to
14 the concerns expressed by a small group that some
15 jurisdictions would do less than others if regions were
16 allowed. The second option is like the first in that
17 there's regional sharing of planning and programming.
18 There's also regional goals of 25 and 50 percent, but
19 there's also minimum requirements for each member of
20 the region of 15 and 35 percent.

21 The issues involved. Very simply, with
22 option one there's less tracking so it's less costly.
23 There's a complete sharing of duties and
24 responsibilities so it's more cost effective. We
25 expect fewer petitions for reduction as smaller

1 jurisdictions can participate with others in regions.

2 Under option two there's essentially the same
3 amount of tracking as the current system so it's more
4 costly than option one, and there's still local
5 responsibility for tracking where waste comes from, so
6 it's less efficient than option one.

7 The recommendation is option one which is
8 what I call the truly regional approach. I want to
9 reiterate that we're not proposing to average each
10 city's percentage diversion goals, we're simply
11 proposing to add each jurisdiction's diversion
12 requirements, and that then becomes the regional
13 requirement.

14 Now option one is the lowest cost for local
15 jurisdictions and it's the most cost effective.

16 BOARD VICE CHAIRMAN CHESBRO: So it is,
17 you're viewing it as an adding up, cumulative process,
18 as opposed as an averaging process, is that correct?

19 MR. NUFF: Right.

20 BOARD CHAIRMAN FROST: You add them all
21 together and --

22 MR. NUFF: Yes. Yes.

23 BOARD CHAIRMAN FROST: Why does that make a
24 difference? In other words, if everybody is required
25 to meet a 25 and 50 percent goal, why does it make a

1 difference how you calculate it?

2 MR. SITTS: Well one of the reasons why this
3 discussion comes about is because we didn't want to, in
4 going to a regional system, reduce the amount of
5 diversion we'll achieve in 1995 and 2000.

6 If a region consisted of two jurisdictions
7 and one was at 50 percent already and one was at zero,
8 under the current system, because they have to, they
9 are separate, the one at zero would have to work to the
10 25 percent by 1995. If you just averaged they would
11 both be at 25 percent and they wouldn't have to do
12 anything by 1995.

13 BOARD CHAIRMAN FROST: But how could somebody
14 be at 50 percent now when you're switching to a
15 disposal based method, and you're really going to
16 measure what goes into the landfill?

17 MR. SITTS: Well because we used the
18 projections which are in the SRREs already which do,
19 which does take into account the existing diversion.
20 So we didn't say that existing diversion doesn't count
21 to do this system.

22 BOARD MEMBER HUFF: It's conceivable.

23 BOARD VICE CHAIRMAN CHESBRO: It's a
24 hypothetical in any case.

25 MR. SITTS: Yes.

1 BOARD CHAIRMAN FROST: You're saying, you're
2 saying existing diversion still counts?

3 MR. SITTS: Yes, except for the materials
4 that were excluded by the Board, inert solids and those
5 type of things.

6 BOARD CHAIRMAN FROST: How does that work?
7 How do you count the existing diversion when you move
8 to a disposal based method?

9 MR. SITTS: Well if you start with a
10 jurisdiction that generates a hundred tons, and they
11 would have to reduce to 75 disposal in 1995, in their
12 projections they show whether they're at two tons being
13 diverted or zero, they show that they have to get to 75
14 tons of disposal or less by 1995.

15 So we can use those projections to show what
16 level of disposal they have to be reduced to. So that
17 they do have additional work to do. If they're at 10
18 percent they have an additional 15 percent to do.

19 BOARD CHAIRMAN FROST: So if they started, if
20 their waste was 100 tons and they've got to get to 75
21 tons by such and such, by 1995 let's say, you're just
22 saying they may be at 95 tons now?

23 MR. SITTS: Right.

24 BOARD CHAIRMAN FROST: So you're going to
25 count that?

1 MR. SITTS: Yes.

2 BOARD CHAIRMAN FROST: But still offer a
3 disposal based method. Because it's not trying to take
4 into account any specific thing they've diverted or not
5 diverted. We are not going back to the data that has
6 been generated about diversion other than counting it
7 from what's diverted from the landfill?

8 MR. SITTS: Right.

9 BOARD CHAIRMAN FROST: So all you're saying
10 is if they had to get to 75 and and they've gotten even
11 partway there, you give them credit for that?

12 MR. SITTS: Yeah.

13 BOARD CHAIRMAN FROST: Which -- okay. All
14 right.

15 MR. NUFF: Yeah.

16 BOARD MEMBER HUFF: To follow on your
17 question. I understand that it's not averaging it is
18 cumulative, but it does have an averaging effect if you
19 have, for example, two communities, both say at 10
20 percent diversion right now, okay. And then one
21 community, then they regionalize, okay. But one
22 portion of that region just goes gangbusters and could
23 carry the other portion.

24 MR. SITTS: Yeah, because future diversion
25 activities will be on a regional basis --

1 BOARD MEMBER HUFF: Yeah.

2 MR. SITTS: -- there is some possibility
3 where one jurisdiction would do more than another. But
4 it's important to realize also that equal effort
5 doesn't always equal equal results. So that a source
6 reduction program or public education program that
7 takes the same amount of time and energy may produce
8 more or less than a recycling program.

9 BOARD MEMBER HUFF: Yeah. Yeah. So it's not
10 averaging of existing level of diversion, but when you
11 regionalize you will average future diversion.

12 MR. SITTS: Right. You get to share the
13 credit for it, yes.

14 BOARD VICE CHAIRMAN CHESBRO: At the same
15 time I think it's really important to understand, and I
16 say this from personal experience, that entering into
17 regional agreements between local governments, I think
18 this is pretty accurately statewide, I don't think it's
19 just where I come from, there's a lot of jealousy and
20 suspicion and very great care about not giving away for
21 the jurisdiction that you represent on a regional body.
22 And these things are going to be negotiated extremely
23 carefully. And we have to have some confidence that
24 those people that are elected to represent a community,
25 have some confidence to make sure they don't give away

1 the store to their neighboring community. So they're
2 going to be negotiating contracts that protect the
3 interest of their individual community if their
4 neighbor screws up.

5 MR. SITTS: Yeah.

6 BOARD VICE CHAIRMAN CHESBRO: I mean we have
7 to have, I think we have to have a certain amount of
8 faith that they're not stupid, you know, and they can
9 protect their own interests and not stick their neck
10 out too far, and in the process damage themselves.

11 BOARD MEMBER HUFF: I've always assigned a
12 high degree of intelligence and cunning to local
13 governments.

14 (Laughter.)

15 BOARD CHAIRMAN FROST: Ms. Neal.

16 BOARD MEMBER NEAL: That's similar to the
17 observation that I was going to make. Understanding
18 that with this approach each of the local jurisdictions
19 could potentially still be on the line for fines, and
20 if they enter into a regional agreement then each
21 individual's jurisdictions behavior will impact, could
22 potentially impact the fines on other members of the
23 region. I think that they're going to be, they're
24 going to apply their own enforcement on each other, if
25 you will, or I would think they'd come out of the

1 region. I know I would.

2 BOARD VICE CHAIRMAN CHESBRO: I assume the
3 agreement would provide for what you do if somebody's
4 not carrying the weight.

5 BOARD MEMBER NEAL: How you handle all of
6 that. Certainly.

7 BOARD MEMBER RELIS: Well there are two
8 levels to that concern. One is that there's the fine
9 issue and what, safeguarding them, each jurisdiction in
10 a regional context against the fines that would be
11 leveled. There's also the binding flow or whatever
12 agreements to construct regional facilities.

13 So there there are kind of two levels of
14 financial accountability that make this scrutiny I
15 think exceptional, or in most cases prudent people
16 would be exceptional, they would take exceptional care
17 on that basis.

18 BOARD VICE CHAIRMAN CHESBRO: I think the
19 fact is that if regions aren't formed it's going to be
20 because of the difficulty in local governments in
21 getting an agreement they feel adequately protects
22 themselves.

23 BOARD MEMBER RELIS: There's the second part
24 of it. We've heard three examples of what seem to be
25 at least good regional efforts. But I'm aware of,

1 perhaps more aware of the efforts to regionalize that
2 have not happened because of the difficulties that have
3 been described.

4 So I think this whole regional issue is very
5 much up in the air how it will play out. I mean just
6 from a practical standpoint. It's not as easy as we
7 think.

8 MR. SITTS: Also with the sharing of
9 diversion as Board member Huff mentioned, while it's a
10 possibility in 1995 to have one jurisdiction doing more
11 than another. For the 2000 goals from what we've heard
12 from jurisdictions, that 50 percent goal is going to be
13 very difficult to do, and no region is going to make it
14 if the, you know, if half the member jurisdictions
15 don't do anything at all.

16 So I think the committment is there and we've
17 seen the committment from local jurisdictions to comply
18 with these mandates individually or as regions, and we
19 didn't have any comments that said please lower these
20 mandates. We had a lot of comments that said please
21 make it so we can cost effectively carry out these
22 because we are very committed to them.

23 BOARD MEMBER NEAL: And I'll go back to a
24 comment just made a number of meetings ago. And that's
25 that when all is said and done, I think for our bottom

1 line, is statewide were the reductions accomplished?
2 You know, not did Oroville or Porterville make their
3 targets as individual entities. But overall in the
4 state did we accomplish the 25 and 50 percent reduction
5 goals?

6 I mean it is not up to this Board. This
7 Board was not given the authority to go down to local
8 governments and dictate how they ought to do this. We
9 were given the authority to administer if you will
10 local government's responses, but not to develop the
11 responses. And I think we can't lose sight of that
12 fact.

13 BOARD CHAIRMAN FROST: No, I agree with you.
14 And I think the other point is that without this kind
15 of a change we will never know whether we met the 25
16 percent goal or not, or 50 percent goal. And under
17 this method we will know whether we met it or not.
18 That may be good or bad depending on how much
19 accountability you want.

20 But at least I think this way there's no way
21 to obfuscate whether you met it or not. You'll know
22 whether you've met it or not. You'll know whether you
23 met it or not. And that may be the greatest advantage
24 to this system.

25 Okay, go ahead.

1 MR. NUFF: I'd like to finish up with the
2 fourth component very briefly, continued state
3 assistance.

4 The staff proposal was to continue preparing
5 model documents like siting elements, comprehensive
6 integrated waste management plans for countywide, and
7 also to assist in the development of markets for local
8 jurisdictions.

9 The comments we received. 75 percent
10 supported the concept of the state continuing to
11 provide local jurisdictions with assistance. The
12 greatest percentage of those comments related to
13 helping them do market development and public education
14 related to source reduction.

15 And the recommendation we have, rather than
16 options, is to, is for ourselves as staff as much for
17 the Board, is to make sure that we publicize the
18 information and the products that are generated from
19 the contracts that we now have and that we will have in
20 the future.

21 Now Mr. Chairman, I'd like to turn it over to
22 Judy Friedman who's the manager of the local assistance
23 branch so she may summarize the presentation.

24 MANAGER FRIEDMAN: Thank you. To summarize,
25 we have presented a four-part system to strengthen the

1 . Integrated Waste Management Act while reducing the cost
2 to local government.

3 Our four-part system is a change to disposal
4 based reporting system to measure achievement of
5 diversion mandates; a major reduction in quantification
6 of diversion by local jurisdictions; formation of waste
7 management planning regions for the purposes of
8 planning, implementing programs, and meeting waste
9 diversion mandates; and continuing state assistance in
10 the areas of market development, source reduction,
11 public education, research and development, and
12 diversion programs.

13 Also staff have recommended options for three
14 of the four parts. These are a disposal based --
15 option one, allocation of disposal amounts based on
16 periodic tracking surveys.

17 A diversion tracking, option number one.
18 Private recyclers and composters report diversion for
19 final transactions only.

20 And a regionalization option. One, regional
21 sharing of plank and programs with regional 25 and 50
22 percent goals.

23 And finally the fourth part is a continued
24 state assistance program.

25 This concludes staff's presentation. We are

1 prepared to answer your questions at this time.

2 BOARD CHAIRMAN FROST: Okay, I'd like, I have
3 a couple of questions. And I assume what you want is
4 to get some Board members' reactions to your
5 recommendations and I, from my own reaction I agree
6 with all the staff recommendations.

7 I do think that we ought to think about this.
8 We're doing this partly, for a number of reasons, one
9 of which is to simplify the system and to lower the
10 costs on local government. My assumption is it also
11 lowers the cost for us by reducing the amount of review
12 and simplifying the review that we have on SRREs in the
13 future.

14 And if that is the case I would hope that we
15 can promote this change from the standpoint of
16 diverting our resources more toward technical
17 assistance and market development help for the counties
18 and local governments. And that we not only lower the
19 cost on them, we provide some more state aid to help
20 them achieve their goals. And I think that would be,
21 maybe if that could be developed and quantified, would
22 be an advantageous part of this overall plan.

23 My, from my own standpoint this is a quantum
24 leap forward in the administration of AB 939, and
25 probably the biggest step forward that has been taken

1 since the bill originally passed if we can get this
2 change enacted into law.

3 EXECUTIVE DIRECTOR CHANDLER: Mr. Chairman,
4 could I comment?

5 With regard to your observation about the
6 cost, I think you're right. Although I would preface
7 that by, a timeframe perhaps needs to be look at.
8 Certainly if we move forward and the staff proposal
9 moves into the form of any amendments, as with any bill
10 there will be, will need to be a fiscal impact
11 statement that would accompany that bill. And the
12 diversion reporting that typically is at the local
13 level or currently at the level local will move to the
14 state level. So in the short term I think there will
15 be some associated costs with the state taking on the
16 aggregate tracking of diversion at the state level.

17 However as you've pointed out, the current
18 proposal has a host of obstacles yet to be, I think,
19 to be fully dealt with at the staff level, and the
20 unrecognized resources and costs associated with the
21 current level, I think, are far greater.

22 And in the long run we do see some
23 efficiencies and some savings at the staff level. I
24 would only want to caution the Board in that if we do
25 move for with a legislative proposal I'm not prepared

1 at this point to say there would not be any fiscal
2 impact with regard to the short term costs of preparing
3 the tracking system at the state level.

4 BOARD CHAIRMAN FROST: Okay. Mr. Chesbro.

5 BOARD VICE CHAIRMAN CHESBRO: Yes, Mr.
6 Chairman.

7 This proposal is a great step forward, I
8 think, and in my experience may be close to
9 unprecedented relative to an effort by a state board
10 and very good work by their staff to try to finetune
11 and adjust the system to make it simpler for local
12 governments to comply, and not just be looking at the
13 state level requirements but looking at the problems
14 local governments are facing and trying to make the
15 system work. The other agencies shall remain nameless
16 for the sake of good relations with other counties and
17 sister agencies.

18 But let me say that just prior to coming on
19 this board, having engaged in a struggle over local
20 toxic waste planning, and experiencing a very, very
21 difficult and unresponsive process in terms of, you
22 know, saying this is the rules, this is the law,
23 comply, we don't, it's not our problem how you do it.

24 And I think having experienced that and now
25 sitting on this Board and seeing the effort that's gone

1 into trying to make the system work and understand the
2 problems that local governments face is, it makes me
3 feel very good and very pleased to be part of this
4 Board.

5 I also want to say relative to the way I
6 would like to see our staff develop and be perceived,
7 that I'm reminded of what we went through with the what
8 counts issue, that in the midst of an uproarious debate
9 we have been the eye in the middle of the storm that
10 has developed a factual base and an analysis on which
11 to make policy recommendations which tends to calm the
12 storm and force people to start talking about facts and
13 policy and issues and depolitizies it a little bit, to
14 the degree that's possible.

15 And so I really want to compliment staff
16 again. I think this is now a second good example of
17 fact based evolution in policy and and information
18 based evolution and policy. And the other component,
19 of course, which I think is unprecedented, is the
20 degree to which we ask local governments, the regulated
21 community, to respond and then try to incorporate their
22 responses into what we're proposing as opposed to again
23 acting as though all wisdom comes down from on high at
24 the state level.

25 I did meet with staff and I'm going to

1 mention a couple of things that they privately
2 reassured me on, but I kind of wanted them on the
3 record so we have Board understanding and closure on
4 them. And I think the staff's response, at least what
5 I got in my meeting with them was adequate.

6 But one was that in several places it refers
7 to, the proposal refers to not needing a new Board
8 tracking system. And that doesn't mean not having a
9 database. You're talking about the function the
10 counties are going to play rather than the state in
11 being the first repository of the information from the
12 recyclers. And so I wanted to make sure that whatever
13 we put out makes it very clear we're not talking about
14 not having a statewide database from all this
15 information, because I think we'd all agree that that's
16 one of the reasons we need this information gathered is
17 so we have a good state database.

18 Secondly, I raised this issue over and over
19 and over again. And that is the potential factors that
20 could affect amount disposed that are unrelated to
21 diversion, economic factors. Some people have brought
22 up the drought as an example that could affect the
23 amount of land waste, factors that could raise or lower
24 the amount disposed that are unrelated to what local
25 government or private industry does to divert waste.

1 Staff has assured me that they had intended,
2 even before this issue came up, and that we're required
3 in the regulatory process to address that issue, and
4 that that will be a major project upcoming. That it's
5 not necessary to try to pin it down in this
6 legislation. It's more of a regulatory matter and that
7 we will be examining exactly how to calculate those
8 additional factors in to make sure that the measurement
9 of the amount disposed accurately reflects the local
10 government's and industry efforts to divert waste.

11 With that assurance I'm satisfied with the
12 proposal not addressing that in detail.

13 BOARD CHAIRMAN FROST: Commissioner Relis.

14 BOARD MEMBER RELIS: One of the things I'm
15 most pleased about the approach being taken by staff
16 and the comments we've received that have helped shape
17 this work is that it will, I think, begin to allow us
18 to focus more of our attention, for instance, in the
19 source reduction area. The quantification issue has
20 been a real stumbling block for both the Board and the
21 local communities.

22 And indications, I was just in Germany last
23 week, where they are making real progress on source
24 reduction, but it's not within a framework of
25 quantifying the source reduction. There's been very

1 strong goals established for recycling and reduction,
2 but with the maximum flexibility as to how to achieve
3 that.

4 And I envision once we can spend more time
5 and focus on the source reduction area, we may
6 eventually be able to quantify it in a significant way,
7 and I hope it will play a far larger role than we even
8 anticipate at this point.

9 But we've been so burdened, I think, with
10 just getting, dealing with some of these accounting
11 questions and the administration of the whole law and
12 how to make it more implementation oriented, that this
13 would begin to free us and refocus our efforts.

14 Also on the market strategy. I know in the
15 Markets Committee which Wesley chairs, the, we've begun
16 now to establish our strategy.

17 And I think as we are freed of some of these
18 very technical, complex issues of administering the
19 law, the Board's efforts at reduction and marketing in
20 the way that we've been at, the role that we've been
21 asked to play by various parties that are looking for
22 leadership for us on market development, and there are
23 areas of the market that can only be developed with
24 statewide effort while others can be done locally.

25 So I think overall in the allocation of our

1 resources, even though we may appear to be a large
2 organization, I figured it out, we've got one staff
3 person for approximately 100,000 people in the state
4 which indicates that, I think, that our resources have
5 to be carefully managed too.

6 And I think this takes us a big step towards
7 being the kind of dynamic Board that we can be in
8 meeting the law in the most cost effective way
9 possible.

10 So I really want to commend everybody that
11 we've brought a whole bunch of, a whole group of
12 parties together, listened very carefully. I think
13 staff's done its homework most vigorously here. And I
14 think this is now the frame of reference for the
15 legislative modifications.

16 And so with that, thanks again. I don't, and
17 I still view this that there may be, what, further
18 changes between now and the time we take this up before
19 the full Board based on comments that we made here
20 today.

21 BOARD CHAIRMAN FROST: Okay, thank you.

22 Now I only have one request to speak before
23 the Board on this item. Nancy Lungren representing the
24 Manhole Adjusting, Inc.

25 MS. LUNGREN: Good morning, Chairman Frost

1 and Board members and staff.

2 My name is Nancy Lungren of the Hannaford
3 Company. And I represent Manhole Adjusting, Inc., an
4 infamous name. And I'd like to comment on the staff
5 proposal for diversion quantification system. And you
6 should have a letter that I've passed around
7 previously.

8 And right now I'd just like to say I've
9 encountered much cooperation and assistance from the
10 Board and staff. And I'd like to stress my committment
11 to pursue our objective in an equally cooperative
12 spirit.

13 Other than transformation there is only one
14 other activity that recycles tires, MAI, the Manhole
15 acronym, utilizes recycled tires in asphalt pavement.
16 This product is marketed on its own merits. However
17 many agencies have contacted MAI for assistance in
18 receiving credit for diverting a portion of
19 California's waste.

20 Federal law, the IST legislation, requires
21 the use of this pavement. CalTrans accepts it as a
22 standard type of pavement. The ARB is on its way to
23 concluding tests on emissions. Our own private,
24 independent tests show a great deal of thumbs up on it.

25 However many agencies need a nudge from the

1 Board to initiate positive recycling efforts. I think
2 this is a reflection of Board member Relis' comments
3 that we need to be flexible and to encourage more of an
4 effort, especially in the southern part of the state,
5 to drive recycling.

6 As an incentive to use asphalt rubber, we
7 encourage the Board to use a proposal which would award
8 diversion credits. This may mean a statewide diversion
9 credit system for special recycling efforts. We may
10 not be the only type of special project that needs a
11 statewide approach.

12 I would also encourage the Board when it
13 negotiates the legislation to please keep the door open
14 to our proposal which is attached to the letter, and at
15 least allow a demonstration project which will test the
16 administration of diversion credits.

17 Thank you for your consideration. Any
18 questions?

19 BOARD CHAIRMAN FROST: Thank you. Any
20 questions?

21 COMMITTEE VICE CHAIRMAN CHESBRO: Yeah.

22 BOARD CHAIRMAN FROST: Mr. Chesbro.

23 COMMITTEE VICE CHAIRMAN CHESBRO: Let me make
24 sure I understand the problem. I'm in part basing this
25 on some comments I've heard from local government

1 officials who are, whose local governments are doing
2 some paving with these materials. Is the, do I
3 understand them correctly that the problem is that the
4 community that uses the tires but can't demonstrate
5 that those tires came from that community are unable to
6 receive the credit? Is that what the --

7 MS. LUNGREN: I think so. That was initially
8 the source, and now we're moving to the disposal based.
9 But so many of the dumps do not accept tires. It's an
10 expensive process to chop them down. And it's a waste,
11 I mean to use a pun, to bury them when now it's
12 something that's useful that will be regenerated
13 through asphalt pavement.

14 So in other words there are few disposal
15 centers that will accept the tires. They may come from
16 all kinds of communities into one, or they may not,
17 they may just be directed out to separate private --

18 BOARD MEMBER NEAL: So there's a broader
19 question of simply whether tires receive credit at all?

20 MS. LUNGREN: Well they, and our maybe unique
21 approach is that these agencies have come to MAI to say
22 we're helping to solve the problem, we like the product
23 anyway, it's great, it lasts 10, 12 years, and it's a
24 great use of taxpayer money, why shouldn't we get
25 diversion credits because we are reducing the waste in

1 California. And that's where it hinges.

2 Regulations, according to Ralph Chandler's
3 staff, would I guess limit this. And that's where we
4 think we need legislation to encourage it.

5 MS. LUNGREN: Any other questions? Thank
6 you.

7 MS. VAN KEKERIX: I'd like to make a comment.
8 The staff believes that the issue of obtaining
9 diversion credits would be significantly lessened by
10 switching to the disposal based system. There would
11 still be potential problems with regional facilities,
12 and staff has laid out a scope of work for dealing with
13 problems that jurisdictions may have if large regional
14 facilities move into their area. We presented this
15 scope of work at the last Planning Committee meeting,
16 and we'll be receiving further direction from the
17 Planning Committee as we proceed with that work.

18 BOARD CHAIRMAN FROST: Okay. Yvonne Hunter,
19 the League of Cities.

20 MS. HUNTER: Mr. Chairman, members.

21 First of all, thank you staff for a
22 spectacular job that really is a quantum leap forward.
23 And I think the comments and the modifications that
24 have been made based upon the 70 or some odd responses
25 really, I think, reflect a lot of the comments that

1 we've heard informally from cities.

2 If Mr. Chesbro is not comfortable mentioning
3 that other state agency in that situation, I am.

4 BOARD VICE CHAIRMAN CHESBRO: I realize since
5 my comments that they were never under DHS so they
6 could talk about another state department.

7 MS. HUNTER: Right. But having been involved
8 in that process as well, and it was the Tanner Plant
9 process, the response of the then Department of Health
10 Services to some very, very real local concerns was
11 anything but helpful and responsive, and was 180
12 degrees from this Board and the staff's response. So
13 thank you very much.

14 Just a few comments. One of the issues that
15 has been discussed in the regionalization and whether
16 or not cities and counties would be able to actually
17 reach agreement or not, the fact that it is voluntary.
18 If a jurisdiction isn't comfortable with the way it's
19 going and what's going to happen they don't have to
20 play. And that I think is the importance and the
21 benefit of the voluntary approach.

22 We would suggest, and I think staff alluded
23 to this, rather than having the Board approve
24 individual contracts, you set certain criteria that
25 these three issues, five issues must be addressed

1 appropriately, and as long as they are then the process
2 is blessed by the Board. But I think it sounds like
3 staff is moving in that direction.

4 As far as measuring disposal, I think the
5 option that the staff recommends is probably the best
6 one to go. We would like to suggest a couple of
7 additions, and I don't know whether this is appropriate
8 when you get into the regulatory process or the
9 legislation, but just so it's on the record.

10 You might want to consider allowing for an
11 alternate tracking method that the locals would
12 propose, it would have to be approved by the Board.
13 There are a number of reasons for this. They may
14 decide they want to do something more detailed, given
15 their unique circumstances there may be a different
16 approach that is more appropriate.

17 In addition their, in certain instances
18 depending upon how the waste system is put together in
19 that area, it may be more appropriate to measure it
20 someplace else rather than the landfill. So I think it
21 would be appropriate to have that flexibility.

22 And finally, I think the proposal, the scaled
23 down proposal of the collection for the diversion data
24 is very appropriate. And we would just ask, and I'm
25 sure it would happen anyway, that when the Board puts

1 together, I assume the standardized form, I don't know
2 how that's going to work, that local government be
3 involved in the process as I'm sure the private sector
4 is going to be involved.

5 So I think it's an excellent proposal and we
6 look forward to continuing to work with you as it moves
7 along.

8 BOARD MEMBER RELIS: Yvonne, I just wanted to
9 ask you. Regarding the proposed, your statement about
10 not, say wanting the Board to be involved in the
11 contract review. And are you saying that that should
12 be more administrative, meaning that there's a checklist
13 of criteria and if they're met that that's the extent
14 of it?

15 MS. HUNTER: Probably. I think along those
16 lines. I'm not sure exactly what you mean, but I think
17 to the extent that staff had commented that they didn't
18 want the Board involved in the detailed nuts and bolts
19 negotiations or the final wording on a contract. But
20 perhaps, as you said, a checklist. As long as you
21 adequately addressed these three issues.

22 BOARD MEMBER RELIS: Yeah, I'm not sure
23 myself. I think that, I guess the, and I'll direct
24 this question to staff, your concerns there are that
25 these types of regional agreements need to be

1 scrutinized at some level so that we have this
2 integrity to the accountability in the system there, is
3 that what you're looking for?

4 MR. NUFF: Yes, I think that's a fair
5 representation of what we were trying to get at. That
6 there's accountability now and there still needs to be
7 accountability in the future.

8 MS. HUNTER: But for example, you probably
9 would only need accountability for new regional
10 contracts or activities that are in response to some of
11 the new programs that you're proposing as opposed to
12 existing regional agreements that are there now that
13 may or may not transfer over to this new program.

14 I think, it sounds like we're all in general
15 agreement, it's just how the regs get written.

16 BOARD MEMBER NEAL: I think it should be
17 clear though, in terms of ongoing accountability, that
18 since the basic underlying concept in 939 was that
19 every city and county would have responsibility, we
20 have to, at least have to know that the contract is
21 taken care of.

22 MS. HUNTER: Yes.

23 BOARD VICE CHAIRMAN CHESBRO: Now how that is
24 handed out. Not that we would want to be, I certainly
25 don't, in a position of dictating that, but rather to

1 make sure that there's a bottom line somewhere and that
2 everybody has a bottom line.

3 MS. HUNTER: There are certain minimum
4 standards that you have to meet, otherwise you don't
5 get it.

6 BOARD MEMBER NEAL: Yvonne, I have a
7 question.

8 You mentioned measuring elsewhere than at the
9 landfill. Where do you see that measurement?

10 MS. HUNTER: We had a meeting a couple of
11 months ago, I think, with a number of city folks, a
12 couple of county folks, and Board staff, and Dorothy,
13 and somebody suggested in one area it might be more
14 appropriate to measure at the transfer station. I
15 think in fact that was Orange County. And they gave
16 some reason why. And that's all I'm suggesting.

17 And if it, if it's not measured at the
18 landfill, if the Board, if a jurisdiction, group of
19 jurisdictions were going to propose something different
20 it would have to pass muster from the Board. But there
21 simply, depending on the situation, may be a better way
22 to do it.

23 Thank you.

24 BOARD CHAIRMAN FROST: Okay, thank you.

25 Rick Best, CAW.

1 MR. BEST: Thank you Board member Frost and
2 members. Rick Best with Californians Against Waste.

3 We've reviewed the Board staff proposal for
4 changes to AB 939 and in general we really support the
5 efforts towards regionalization and to maximize the
6 effectiveness of the local planning process in terms of
7 achieving the implementation goals of AB 939. Although
8 in our past letters we've kind of indicated that we may
9 have some problems with regionalization, in general we
10 really do support the reduced planning requirements in
11 terms of establishing a regional integrated waste
12 management plan and the other aspects of the Board's
13 proposal.

14 However we are concerned, we have several
15 concerns. Number one being with the care in terms of
16 the creation of these planning regions. We agree that
17 in terms of regional, in terms of rural regional plans
18 and regions, that the rural counties and things like
19 that we don't really question, we feel that those are
20 really appropriate places to have regions. In addition
21 in terms of intercounty, in terms of a number of cities
22 within a county, that that is an appropriate place to
23 have establishment of a planning region.

24 However in terms of the urban areas where
25 we're creating a number of jurisdictions which

1 certainly may have problems in terms of cooperation, we
2 feel there may need to be a limit in terms of the size
3 of these planning regions. So, for example, we could
4 establish a limit of a half million people population
5 for a planning region. And that would certainly, you
6 know, accommodate the rural areas. In addition, it
7 would place a limit the on the urban areas and make
8 sure that these planning regions don't exceed the
9 amount of cooperation among these cities, and certainly
10 make sure that the planning process is maintained.

11 The rest of our comments, the remaining parts
12 of our comments have to deal with the impact that these
13 changes to a disposal based system and a regional
14 diversion accounting would have on the diversion goals
15 of AB 939. Specifically we have two questions.

16 One of them is more of a point of
17 clarification with the Board staff proposal for using
18 projections. And it was my understanding that the
19 disposal projections would be those made under SRRE
20 conditions. And I wanted to get a point of
21 clarification. Is that true?

22 MR. SITTS: Yes, that's true. Because the
23 projections that are made under SRRE conditions or
24 under the implementation of the SRRE would meet the 25
25 and 50 percent goals rather than showing whatever

1 existing diversion is going on.

2 MR. BEST: Well based on our staff's review
3 of many of the SRREs we really have some concerns about
4 some of the projections that are being in these SRREs.

5 Number one, they're fairly inaccurate in
6 terms of people I don't think have a clear
7 understanding of what sort of quantities are
8 specifically going to be generated by a program.

9 Certainly the projections are valuable in
10 terms of developing what are appropriate programs to be
11 necessary to reach the goals, but in terms of getting
12 an accurate prediction of what people will be diverting
13 in the future, I really don't feel these figures are
14 accurate enough for that. And consequently we really,
15 we recommend that the Board not use disposal
16 projections in terms of the measurement of goals.

17 BOARD CHAIRMAN FROST: This goes back --
18 excuse me. This goes back to a question I was trying
19 to get at earlier, and I think you're raising the same
20 question. If you're going to use the projections that
21 they put in their SRRE, I can understand the use of
22 projections of disposal, but I don't understand the
23 relevance of any other projections that are in the
24 SRRE.

25 MR. SITTS: For the measurement of the goals

1 we would be looking at the disposal projections. And I
2 agree, the projections may not specify exactly which
3 program will account for how much diversion, but they
4 will specify the 25 percent level and how much disposal
5 you have to reduce to in order to meet the goals.

6 BOARD CHAIRMAN FROST: Yeah.

7 MR. SITTS: We, as far as how the
8 jurisdictions come up with that diversion, we've always
9 tried to leave that, you know, flexibility to local
10 jurisdictions to come up with that diversion.

11 BOARD VICE CHAIRMAN CHESBRO: What about a
12 community that projects less than the legally required
13 amount? Are we somehow casting, by accepting that as
14 the figure, I mean if they've only projected that
15 they're going to be able to recycle 22 percent by 1995,
16 does that leave us as giving some sort of stamp of
17 approval in advance that I don't think this Board would
18 want to do until the, at least certainly not until the
19 County Integrated Waste Management Plans were approved
20 would we want to give a sign-off that says well it's
21 okay if you only do 22 percent.

22 MR. SITTS: Right. No, the provisions in the
23 proposal say that we'll use those projections as long
24 as they are adequate and consistent with the goals. So
25 if they don't reach the 25, 50 percent, we could still

1 use the, you know, projection generation to see what 75
2 percent would be but, when we would hold them to that
3 amount. But under this proposal we would say that they
4 have to submit a letter to the Board with revised
5 projections that show the amounts that they have to
6 reach.

7 BOARD CHAIRMAN FROST: Well let me give you
8 an example of what I'm thinking of. Before we did the
9 what counts proposal and adopted it, there were some
10 communities that said they were already at 55 percent,
11 60 percent diversion, and weren't going to have to do
12 anything between the now and the year 2000 to reach
13 those goals. We basically wiped that out when we
14 adopted the what counts.

15 MR. SITTS: Right.

16 BOARD CHAIRMAN FROST: But, and I thought
17 that those, that whatever projections they had now
18 would be further eliminated by going to a disposal
19 based method. So the only thing you're really talking
20 about is what's going into their landfill.

21 MR. SITTS: Yes, projection of the disposal
22 amount.

23 BOARD CHAIRMAN FROST: Okay.

24 MR. SITTS: And that would probably be the
25 most common situation of a need for a letter to the

1 Board would be a revision of those amounts based on the
2 1820 wastes.

3 BOARD CHAIRMAN FROST: Okay, go ahead.

4 MR. BEST: Basically from our previous
5 understanding we understand that the region, the reason
6 that the Board's proposed to use the disposal
7 projections was that certain jurisdictions,
8 particularly urban jurisdictions that were projecting
9 to exceed the AB 939 goals, that those would be
10 incorporated into the requirements of the region; and
11 that therefore by averaging these goals we would not,
12 as you were saying, allow certain large cities to, you
13 know, only do 50 percent -- or excuse me, that the
14 averaging of goals would lower the diversion goal
15 requirements of the other cities by establishing higher
16 goals based on the expectations of the urban areas.

17 BOARD CHAIRMAN FROST: Right. And I
18 understand your point, but I take from the staff's
19 answer we will not be doing that.

20 MR. SITTS: Correct.

21 BOARD CHAIRMAN FROST: Okay.

22 MR. BEST: Okay. And the second point of our
23 concern is that, the use of regional goals in terms of
24 averaging various jurisdictions towards achieving the
25 goals. We have, there's a couple concerns.

1 Number one is that certainly the averaging of
2 goals in an urban county where there's a large urban
3 center is going to allow reduced amount of diversion
4 for other cities. Now we sent kind of an analysis of
5 Alameda County to some of the Board members and
6 certainly, you know, I think there needs to be more
7 analysis of other counties and what the impact that
8 would have.

9 But secondly we feel that there really needs
10 to be more, as Chesbro was saying, more analysis by the
11 Board in terms of being knowledgeable about these
12 things, in terms of what are the impacts at the
13 landfill and the transfer station of trying to develop
14 these numbers?

15 We spoke with Ventura County and Alameda
16 County, and they're already collecting this data on a
17 daily basis for individual jurisdictions. And
18 certainly for, perhaps for the rural counties this may
19 be difficult. But I think in general you're going to
20 find that a number of urban areas are already
21 collecting this data, and therefore it's not a as big a
22 problem as may be expected.

23 So in conclusion I just want to say that in
24 general CAW really does support the move towards
25 regionalization, but we have concerns specifically

1 about the care in terms of creating these disposal
2 regions, and secondly the impact that using the
3 averaging of regional goals would have on the diversion
4 goals of California.

5 Thank you.

6 BOARD CHAIRMAN FROST: Okay, thank you very
7 much.

8 Belinda Smith representing Contra Costa
9 County.

10 MS. VAN KEKERIX: Can staff make a few points
11 regarding CAW's comments?

12 BOARD CHAIRMAN FROST: Go, yes. Sure.

13 MR. SITTS: Well first of all there are some
14 jurisdictions who are tracking diversion and disposal
15 right now. Nothing in this proposal would prohibit
16 them from doing that if they feel that's a cost
17 effective way to monitor their programs.

18 As far as the analysis of Alameda County.
19 We're also, although we just received the letter
20 yesterday, we're also looking at those numbers. And we
21 have some difficulty in determining what's going on
22 with those numbers. And we discussed that with Alameda
23 County, and they seem to feel that those numbers are
24 not accurate either. So we'll be continuing that
25 analysis. And if that's an issue at the 29th we can

1 bring that up for full analysis then.

2 BOARD MEMBER RELIS: Mr. Chair. It's my
3 understanding too that regarding the concern about
4 undercounting and on the disposal based, the
5 projections, don't we have a contract concept in the
6 works to, in this budget cycle under our contracts to
7 assist us with that? Am I missing something here?

8 MS. VAN KEKERIX: Yes, we do have a proposal
9 that's going to look at uniform disposal methodologies
10 for waste characterizations so that the quality of data
11 that we're getting in the future is better and more
12 comparable throughout the state.

13 BOARD MEMBER RELIS: So would this bear on
14 this issue? Would this contract bear on the concern
15 raised by Ray?

16 MS. VAN KEKERIX: It would have some bearing
17 on the concern that Rick Best raised about the accuracy
18 of the data and the existing source reduction recycling
19 elements, yes.

20 BOARD MEMBER NEAL: To the extent that local
21 governments incorporate what this contract develops?

22 MS. VAN KEKERIX: Correct.

23 MR. SITTS: I think it's also important to
24 note that the projections in the SRREs as well as the
25 other data in the SRREs, those were preliminary draft

1 SRREs which the staff have commented on, so
2 inadequacies in the projections we have commented on.
3 And we expect that in the final versions of those SRREs
4 that those comments would be addressed.

5 BOARD CHAIRMAN FROST: Okay, thank you.

6 Now Belinda Smith, Contra Costa County.

7 MS. SMITH: Yes, I just have a couple of
8 questions and they really relate to the countywide
9 plans and the local task force. In the light of
10 regionalization, how would we do countywide plans,
11 especially if they cross county lines? And then what
12 is the role of the local task force in terms of
13 regions?

14 MR. NUFF: We would want local task forces to
15 be involved as a local jurisdictions felt they ought to
16 be involved. And that was one of the items we felt the
17 Board ought to review for is how was the local task
18 force involved in the new region. It's obviously
19 already involved in the process and they probably ought
20 to be involved in whatever region was set up.

21 MS. SMITH: But does that mean on a regional
22 basis? Do you, for each region do you have a local
23 task force? And then when it comes down to doing a
24 countywide plan do you have to incorporate all those
25 local task forces to do the countywide -- well the

1 question is, is there still a countywide plan?

2 BOARD VICE CHAIRMAN CHESBRO: Are you talking
3 about if there are subregions within a county, for
4 example if four cities form two regions, what would
5 that do in terms of the countywide plan?

6 MS. SMITH: Right. Or if the two counties
7 formed a region, what would that do in terms of a
8 countywide plan? And how is the local task force
9 affected by that, or is there still a local task force?

10 MR. NUFF: Mr. Chairman, I developed some
11 overheads in anticipation of that question, so if I
12 might.

13 BOARD CHAIRMAN FROST: Very good.

14 MR. NUFF: Let's start with a single county
15 region first. Let's start out first with the most
16 simple example where cities within a county get
17 together with a county to form a region.

18 We anticipate that there would be one
19 regional source reduction recycling element. Now there
20 might be eight or nine or ten for each city, within a
21 region there would be one element. There would also be
22 one only household hazardous waste element, and then a
23 county siting element, and then also the county plan.

24 BOARD VICE CHAIRMAN CHESBRO: Now this is in
25 lieu of the current county -- if you have two counties.

1 MR. NUFF: Right.

2 BOARD VICE CHAIRMAN CHESBRO: It would
3 replace the county plan? The things you just --

4 MR. NUFF: Right.

5 BOARD VICE CHAIRMAN CHESBRO: Now what about
6 if you had two regions within a county? I'm sorry, I'm
7 jumping ahead of you.

8 MR. NUFF: You just mentioned two counties
9 getting together for a region. We'd want just one
10 regional source reduction recycling element for both
11 counties, for that region, just one document. And then
12 depending on what the counties wanted, either one
13 siting element for each county or a joint siting
14 element, and then one plan encompassing the entire
15 region.

16 And then for a region within a county, if
17 like the CVAG example down in Riverside County where
18 nine cities got together to form their own region
19 within the county, we'd have one regional source
20 reduction recycling element and household hazardous
21 waste element.

22 And then for the cities or jurisdictions that
23 were not within that region, they would also still do
24 what they would normally be required to do, they would
25 be doing elements also. And then one countywide siting

1 element and also one countywide plan.

2 BOARD CHAIRMAN FROST: Okay.

3 MS. SMITH: So in essence the county would
4 still be responsible for putting together a countywide
5 plan and still would be responsible for putting
6 together the siting element?

7 MR. NUFF: Yes.

8 MS. SMITH: Okay. That doesn't seem real
9 specific to me in this regionalization concept.

10 BOARD MEMBER RELIS: Isn't that purposeful on
11 your part is that you're giving the region the latitude
12 to define what they want to do rather than us try to
13 figure it out and prescribe it?

14 MR. NUFF: Yeah. Our guiding principle has
15 been to allow as much latitude as possible for local
16 jurisdictions to do what works best for them.

17 MS. SMITH: I think I have a problem in terms
18 of that we are supposed to do an integrated plan based
19 on a countywide, that can be encompassed by all that.
20 But if you allow individual regions to develop their
21 own plans, it appears to me that that would be
22 integrated for that region only, and at some point you
23 are expecting the county to somehow meld all those
24 together to come up with one countywide plan. When in
25 essence you'd actually have three different systems in

1 place.

2 MANAGER FRIEDMAN: Let me see if I can
3 clarify that. Within a county currently you have,
4 let's say there's a county with 10 cities. Each
5 individual city has to do a source reduction recycling
6 element and the household hazardous waste element, and
7 so does the county unincorporated area.

8 All of those documents get forwarded to the
9 county who then put it together in what's known as the
10 Countywide Integrated Waste Management Plan. And they
11 also prepare the countywide siting element.

12 What we're proposing is, if several cities
13 within that county wanted to get together, for example
14 maybe five cities, and form a region, they could form
15 that region, then they would only be responsible for
16 one source reduction recycling element. The other
17 individual cities who weren't a part of that region
18 would have to do as usual, their source reduction
19 recycling elements. Those documents would get
20 forwarded to the county for preparation of the
21 countywide Integrated Waste Management Plan. So the
22 difference is the reduction in the individual numbers
23 of documents that the county has to deal with is
24 minimized.

25 MS. SMITH: Except that right now under the

1 current system all of those documents go through one
2 LTF. And it's there that we're developing some kind of
3 a system within all those jurisdictions. And so that
4 goes back to the LTF. Does each region have its own
5 LTF?

6 MANAGER FRIEDMAN: We had not proposed each
7 region to have its own local task force. If a region
8 happens to be a county, the entire county, then that
9 region may wish to have the local task force be,
10 continue to be as is, you know, continue as is. And it
11 just makes a simplified process since they're all in
12 agreement in a region.

13 MS. SMITH: What if they don't wish to have
14 the LTF?

15 MANAGER FRIEDMAN: If they don't wish to have
16 the local task force, the, managing that region, the
17 region still is required to go through the local task
18 force for the preparation of the countywide Integrated
19 Waste Management Plan.

20 MS. SMITH: I still think that we need to
21 have some more clarification on the role of the LTF in
22 light of regionalization and in terms of putting
23 together countywide plans, and how we're going to
24 coordinate those activities, especially when there's
25 more than one county. Or if you have a city, because

1 of geographic reasons, that's in another county.

2 BOARD CHAIRMAN FROST: Okay. Well I think
3 that you can continue this discussion.

4 BOARD MEMBER RELIS: Mr. Chair.

5 BOARD CHAIRMAN FROST: Yeah.

6 BOARD MEMBER RELIS: Just a question, more an
7 open-ended piece here. The question was put to us by
8 Rick Best on the size, how big should a region be. And
9 I don't really have any prescribed thoughts on it, but
10 I'll make an observation.

11 For one, with the decision by the Board on
12 the 1820 waste and the what counts question, we've
13 tightened up the system, the accountability, a great
14 deal. So the matter of, you know, getting by easy on
15 this has been greatly reduced there.

16 The second is that we have to bear in mind
17 the timeframes. We're now mid-1992. And with the
18 reductions probably resulting from the 1820 waste
19 decision, what counts, coupled with the timeframe, the
20 larger the jurisdiction I might, the larger the
21 complexity of putting the arrangements together to meet
22 our deadlines.

23 So I think there is a certain reality that we
24 have to bear in mind that putting together and then
25 implementing the 25 percent diversion in two and a half

1 years, if you're starting at 11 percent or, and you
2 have 20 cities to deal with, I mean is that realistic?
3 And I think that's going to be a factor in shaping
4 these regional approaches. Because they're going to be
5 looking at the law.

6 MR. NUFF: Mr. Relis, I think you're right.
7 And I think that this will benefit mostly the smaller
8 rural counties that have to share their resources to
9 comply with the law. I think those will benefit the
10 most probably.

11 (Thereupon simultaneous discussion
12 took place.)

13 BOARD CHAIRMAN FROST: Okay. Any other
14 questions? Comments?

15 All right. This was for information only.
16 This will be back on the Board meeting on July 29th in
17 Long Beach for a final, for final action.

18 Staff, do you want to make another comment?

19 MS. VAN KEKERIX: Yes. We'd like to make
20 sure that we have some idea of the direction the Board
21 wants us to go between now and the 29th.

22 BOARD CHAIRMAN FROST: I would suggest that
23 you probably should contact the Board members
24 individually to get some specific feedback from them
25 over the next few days.

1 MS. VAN KEKERIX: And we will work on the
2 analysis that CAW has sent us to go over that, and
3 we'll also be speaking with Belinda Smith on the role
4 of the local task forces and handling her concerns.

5 BOARD CHAIRMAN FROST: I think one thing that
6 should be kept in mind. What we're talking about here
7 is a legislative framework that still has to be done
8 all by regulations, and the regulations can be a lot
9 more specific and detailed.

10 BOARD MEMBER RELIS: Mr. Chair.

11 BOARD CHAIRMAN FROST: Mr. Relis.

12 BOARD MEMBER NEAL: Yeah, I wonder if we need
13 to hear from Miss Fettig on what we need to look at
14 from a legislative perspective relative to timing and
15 moving this forward.

16 DIRECTOR FETTIG: I think, as we mentioned at
17 the outset, we've got about a month and two weeks
18 before the end of session. Probably the sooner any
19 language is out the better, so that some of the
20 questions can be answered as to what does this do to
21 the law. I think it helps some people, not all, but it
22 helps some people to see things in legislative language
23 so they can compare to what 939 looks like now. So the
24 sooner that we can do that the better.

25 Given that the Board meeting is on the 29th

1 and there seems to be some very general agreement with
2 much of what the staff has presented, I could certainly
3 begin crafting language based on the proposal that
4 you've seen today.

5 BOARD MEMBER NEAL: I wanted to bring that up
6 because I thought we needed to give our legislative
7 staff some direction at this time as well.

8 BOARD MEMBER HUFF: Well the deadline really
9 isn't August 31st. I mean you don't want to be handing
10 out floor amendments on the 28th.

11 DIRECTOR FETTIG: We need to have language
12 within the next couple of weeks.

13 BOARD CHAIRMAN FROST: Yeah. But we do have
14 a bill, as I understand it we have a bill in the Second
15 House Fiscal Committee that would be probably the
16 vehicle for this. So there is a bill that's moved
17 almost to the end.

18 BOARD MEMBER HUFF: When does fiscal
19 committee stop?

20 DIRECTOR FETTIG: I don't have that date with
21 me.

22 BOARD MEMBER RELIS: Mr. Chair.

23 BOARD CHAIRMAN FROST: Mr. Relis.

24 BOARD MEMBER RELIS: My reading then is in
25 addition to our, whatever individual contributions

1 Board members may make, it seems that we have a fairly
2 good agreement informally here as to you're on the
3 right track.

4 BOARD CHAIRMAN FROST: Yeah.

5 BOARD MEMBER RELIS: Could we state that
6 without committing ourselves to --

7 BOARD MEMBER HUFF: I don't think we need to.

8 BOARD MEMBER RELIS: Okay. You don't think
9 we need to.

10 BOARD MEMBER HUFF: I think staff can read
11 between the lines.

12 BOARD MEMBER RELIS: Okay. You have the
13 direction you need.

14 BOARD CHAIRMAN FROST: Okay. Then this will
15 adjourn our Board meeting for today. We'll be back in
16 session on the 29th.

17 (Thereupon the foregoing meeting
18 was concluded at 12:07 p.m.)

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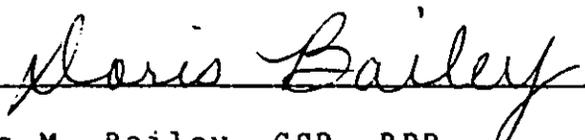
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CERTIFICATE OF CERTIFIED SHORTHAND REPORTER

I, DORIS M. BAILEY, a Certified Shorthand Reporter and Registered Professional Reporter, in and for the State of California, do hereby certify that I am a disinterested person herein; that I reported the foregoing meeting in shorthand writing and thereafter caused my shorthand writing to be transcribed by computer.

I further certify that I am not of counsel or attorney for any of the parties to said proceedings, nor in any way interested in the outcome of said proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand as a Certified Shorthand Reporter on the 12th day of August, 1992.



Doris M. Bailey, CSR, RPR
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