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WORKSHOP

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

HEALTH AND HUMAN SERVICES DATA CENTER

9323 TECH CENTER DRIVE

SUITE 100

SACRAMENTO, CALIFORNIA

THURSDAY, FEBRUARY 15, 2001

9:00 A.M.

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APPEARANCES

BOARD MEMBERS

Ms. Linda Moulton-Patterson, Chairperson

Mr. Steven Jones

Mr. Michael Paparian

STAFF

Ms. Julie Nauman, Deputy Director

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PROCEEDINGS

DEPUTY DIRECTOR NAUMAN: Welcome to the strategic planning workshop today. My Name is Julie Nauman. I'm Deputy Director of the Permitting and Enforcement Division of the Waste Board. And I have the pleasure of serving on the Strategic Plan, what do we call it, Steering Committee, and was asked to serve as the moderator for today's session. And with that, Linda, I think you're going to begin.

CHAIRPERSON MOULTON-PATTERSON: Thank you, Julie. I want to just welcome everybody here today. We are so glad that you could be here. And in particular, I'd like to thank the panel members and the speakers who graciously agreed to prepare a presentation and participate in these discussions today.

Before we get started, I just wanted to include a reminder of the seriousness of the energy shortage. Our staff has been working with Cal EPA and all State agencies have been coordinating with the administration to identify ways to reach out to our constituents about the need for energy conservation.

In the short term, we have identified a number of ways to assist in this effort. We have placed a prominent notice on our Internet home page that says "Be Waste Wise, Conserve Energy." This notice links to a page within the

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1 Energy Commission's web site, that gives energy saving
2 tips.
3 In addition, we plan to incorporate an
4 appropriate energy related message into our regular
5 external communications including press releases and
6 agendas. Individually, we are also making sure that we
7 include a comment and any public speaking we do to
8 encourage others to practice energy conservation.
9 As most of you are aware, we're currently
10 gathering information that will help us to update our
11 strategic plan. The purpose of today's forum is to hear
12 your perspective on what the major issues are that the
13 Board needs to address over the next three to five years.
14 We'll be conducting a similar forum for our internal
15 stakeholders at the end of February and plan to use all of
16 this information as a basis for discussions of policy and
17 program priorities.
18 I'm looking forward to hearing what each of you
19 has to say in discussing the issues that are raised. For
20 those of you who are in the audience, we will have a
21 public comment period at the end of today's panel
22 discussion. Please fill out a speaker slip if you wish to
23 make any comments during that time. And are the speaker
24 slips over here? Right over there.
25 We've asked Julie Nauman, Deputy Director, for

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1 our Plant Permitting and Enforcement Division, as she
2 said, to moderate our two panel sessions today. And
3 she'll be introducing our opening speaker. Before we
4 start though, I'd like to ask my colleagues if they had
5 any comments or would like to say anything?
6 BOARD MEMBER PAPARIAN: I'm looking forward to
7 hearing from everybody today. I share the view that this
8 is a very important process and will help us figure out if
9 we're going in the right direction. And, hopefully, we'll
10 lead to a process that assures that we put something
11 together that leads us in the right direction.
12 CHAIRPERSON MOULTON-PATTERSON: Thank you, Mike.
13 Steve.
14 BOARD MEMBER JONES: Yeah, I just want to echo
15 what both the Chairman and Mr. Paparian said. Thanks for
16 being here. There's not a whole lot of people in the
17 room, but there's quality in the room, and we need to --
18 this really is going to be beneficial to the Board Members
19 as we try to do this. So while there isn't a big
20 audience, you've got the audience that needs to make sure
21 that we get this plan to be in the right position, so we
22 appreciate the time and we appreciate the effort that goes
23 into these presentations.
24 Thanks.
25 CHAIRPERSON MOULTON-PATTERSON: Thanks, Steve.

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1 Okay, Julie, I'll turn it over to you.

2 DEPUTY DIRECTOR NAUMAN: Before we get into the
3 panel sessions, we thought it would be helpful to our
4 thinking and, you know, kind of get the creative juices
5 flowing to invite a very special speaker here this morning
6 to share some views, perspectives and ideas about the
7 future. We've invited Adam Davis, who is the co-founder
8 and principal of Natural Strategies. Adam has Worked on a
9 wide range of initiatives to provide strategic approaches
10 to environmental problems.

11 The current projects he's involved with include
12 development of procurement and supply change initiatives,
13 communications and outreach programs and integration of
14 organizational development principles into environmental
15 initiatives.

16 Prior to founding his firm, which he calls NSI
17 for short, some of us love acronyms, Adam managed two
18 organics recycling companies in northern California. He
19 also served as Compost and Recycling Programs Manager and
20 later as Director of Business Development for the world's
21 largest solid waste and recycling program, WMI. While at
22 WMI Adam developed a workshop series cosponsored by the
23 Stanford University Center for Conservation Biology on
24 facility siting and served on the steering committee for
25 numerous conferences.

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1 He also guest lectures regularly at Cornell,
2 Stanford, UCLA and UC Berkeley. Adam lives and works in
3 Marin with his wife Sara his two daughters Eleanor and
4 Olivia. And I understand he got up very early this
5 morning to join us, so please help welcome Adam Davis.
6 (Applause.)
7 MR. DAVIS: Thank you very much for that kind
8 introduction. And thank you very much for the honor and
9 the opportunity to address you at the beginning of this
10 important strategic planning process. This process comes
11 at an interesting time at the end of the time period
12 prescribed by the Integrated Waste Management Act, that
13 ten-year period that set targets and also at the beginning
14 of the new Republican administration. And I think that
15 provides a rich background for today's discussion.
16 Now, that Gail Norton is the Interior Secretary
17 for example, I'm reminded of the old joke of the reporter
18 who interviews the two Russian politicians, one of whom
19 describes himself as a pessimist and the other of whom
20 describes himself as an optimist. Well, the reporter asks
21 the first one and says well, why is it that you're a
22 pessimist. And he says well, just look around you, isn't
23 it obvious, things couldn't get any worse.
24 So the reporter goes to the second politician and
25 says well, you've heard what he had to say, why is it that

you describe yourself as an optimist. And the second politician says well on the contrary, things could get much worse.

(Laughter.)

MR. DAVIS: As you heard in brief introduction, I'm a principal and founder in Natural Strategies. We're a small management consulting firm based in Marin. And our work consists of integrating sustainability principles into business strategy for a number of corporations and organizations.

Our current clients include John Hancock Financial Services, BP, Southern California Edison, and Genen Corps International. And it's a particular pleasure to talk to you this morning given my own career trajectory having been in the composting business and later in the solid waste and recycling business for almost 15 years, it's a real pleasure to come back and participate in this process.

You know, everyone uses the old song about the Chinese character for opportunity and the character for crisis being one and the same, but it is essentially true. The challenges presented by the Auditor's Report on landfill oversight on the one hand and by the shift towards place-based and performance-based regulation, which form the backbone of the Cal EPA vision, strategic

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1 vision statement on the other, provides the Waste Board
2 with an opportunity to develop more effective programs and
3 relationships.
4 The opportunity is one of more clearly defining
5 goals for the Board and of thinking through effective
6 implementation strategies for these goals. I would argue
7 that it's also an opportunity to organize effectively
8 around a shared goal of sustainability, which would allow
9 the Board's focus and programs to better align with the
10 focus and programs of many other important participants in
11 the development of solid waste recycling programs and
12 recycling programs and policies.
13 How does it do this? How does sustainability do
14 this? Fundamentally, it has to do with the difference
15 between environmentalism and sustainability. While
16 environmentalism, beginning with Rachael Carson's
17 articulate argument against the use of DDT, all the way
18 through to the present day and Julia Butterfly's also
19 articulate argument against chopping down 2,000 year old
20 trees, while environmentalism takes these many forms, it
21 is at its core a movement against, against the polluter,
22 against the bad-faith corporate actor, against damage to
23 ecosystems and habitat, against the loss of species,
24 against the release of hazardous substances, against
25 wastefulness.

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1 The rules which have sprung up from this point of
2 view are rules for emissions limits or land use limits or
3 limits on other forms of prescribed activity. And the
4 problem with these rules is obviously to the people in
5 this room, I should imagine, while they have prevented
6 egregious excesses of various kinds, the actual numbers
7 used for emissions limits are the result of political
8 compromise, every bit as they are -- every bit as much as
9 they are a result of scientific understanding.
10 If 21 parts per million makes you a criminal,
11 then you know that 20 parts per million is not just fine,
12 but we have to pick a line somewhere in the current
13 system.
14 In fact, nearly all command and control pollution
15 control solutions are the result of compromise between
16 opposed parties. The existing command and control
17 regulatory framework is a descendent of a kind of
18 environmentalist thinking. And clearly, this heritage has
19 served us well up to a point. Examples of emissions
20 reduction can be found throughout the Cal EPA strategic
21 vision document from particulate matter to TRI releases to
22 leaking underground storage tanks.
23 Clearly, the attention of the regulatory
24 structure is effective when the spinning lighthouse of its
25 attention shines its light on a particular problem.

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However, in that mode 350 degrees of the circle can remain in the dark where the enforcement folks aren't.

We all know that while the overall direction and structure of the regulatory system arising from this against thinking has a kind of integrity, an important integrity, still it often results in partial and arbitrary solutions rising out of political compromise.

The fundamental problem is that the emissions limits approach, the against approach, does not require us to have a clear understanding of what it is we want to create.

While environmentalism at its core is this movement against, sustainability at its core is a movement towards. To even use the word thoughtway or seriously is to demand of onesself an active imagination about how a processor or product could be delivered or produced in an ongoing manner without negative effects.

How could we regulate towards behaviors that are neutral or even restorative in relation to the natural systems which are essential for our survival and well-being. What does it even mean to think along these lines?

While political compromise will always be a feature of the landscape, the promise of sustainability is to develop a compelling vision which aligns interests and

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1 incentives towards solutions and away from conflicts.
2 This simple magician's way of shifting attention
3 from what we are against to what we are for has startling
4 implications in my experience. While many of the specific
5 programs and objectives may well remain the same under the
6 two frameworks, new features of the landscape will emerge
7 from this perspective shift.
8 One example of this might include the way in
9 which the success is measured and performance rewarded,
10 moving from penalties imposed or mistakes avoided to
11 proactive measures like incremental performance
12 improvement on the part of regulated companies or
13 continuous expansion of recycling service options for the
14 public.
15 Another might be the manner in which measures are
16 stacked or bundled together to develop a clearer picture
17 of where we are in relation to sustainability goals.
18 Moving from discrete metrics reflecting individual targets
19 for leachates, diesel emissions, land use and so on to a
20 more integrated sectorial approach which seeks to
21 understand and describe the full set of impacts created by
22 particular sectors and then to systematically reduce those
23 impacts.
24 It's certainly not my goal to articulate or even
25 suggest the specific outcomes of this process, but it is

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1 my hope that a thoughtful consideration of how solid
2 wastes and recycling fits into the broader discussion of
3 sustainability will inform the process and lead to the
4 development of approaches which can be appreciated and
5 supported by a wider community than currently takes
6 interests in these issues.
7 You know, another one of the useful purposes of a
8 strategic planning exercise is to name clearly the
9 obstacles as well as the goals of an organization. Every
10 organization has its unnamed elephants in the room, which
11 aren't talked about because they are too difficult or
12 sometimes because they are too obvious.
13 In any case, I'd like to list a few of these
14 elephants as I see them from the outside. The first is
15 the basic limitation of the approach embodied by AB 939.
16 While the 50 percent goal has inspired and instigated
17 thousands of effective useful programs across the State,
18 it is clearly losing steam as an organizing principle.
19 There are several reasons for this. The law was
20 created during the time when shortage of landfill capacity
21 was clearly a major motivation for policy development.
22 Today, California has more than adequate capacity.
23 While ambitious, the 50 percent goal was in some
24 sense clearly arbitrary. At the time the law was passed,
25 California was landfilling something like 50 million tons

of municipal solid waste each year. And the goal was to move to about 25 million tons per year. While we've moved to 36 million tons over the last full year of the accounting, this is still a tremendous figure. While theorists have advanced ideas of zero waste, resource efficiency and factored four or factored ten changes in efficiency for industry, the overall picture makes it clear that fundamental changes remain ahead of us.

Second, is the alignment of goals between Cal EPA, the BDOs and local jurisdictions. While the people who work at the various public sector entities responsible for developing and carrying out policy on waste issues are functioning at the highest level they can within the framework, there are clearly areas where fundamental alignment is needed. Let me give just two examples.

First, the goal of moving towards performance based and place based regulation can be at odds with the media specific structure of the 6 BDO's under Cal EPA. The first tenant of the Cal EPA strategic vision document, for example, makes clear that quote, "Improved cross media coordination," unquote is the number one goal of the agency.

It is clearly a challenge, however, for an air board or a water board or a waste board to take a cross media approach within the authority and responsibilities

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of its enabling legislation.

Secondly, the goal of diverting 50 percent of the waste stream can be at odds with the granting of additional landfill permits which expand statewide disposal capacity far beyond the 50 percent limit -- target, I should say, not limit, the 50 percent target.

While permits are currently examined and accepted on their merits, the challenge is to integrate specific actions taken by the Board and the LEAs with the desired policy direction. The third elephant is the alignment between programs contributing to the Waste Board income and the budget.

While the $1.34 Integrated Waste Management fee remains the backbone of Waste Board funding, special waste funds like tires and oil will contribute something like 40 percent of overall revenues this coming year.

One issue here is whether there needs to be a closer relationship between the proportion of the Waste Board revenue provided by a specific sector of the waste stream and the proportion of the operating budget devoted to that sector.

And a more fundamental question here is whether the Board can be most effective while its goal is to reduce and ultimately eliminate the activity which provides the majority of its funding. And finally there's

1 a challenge inherent in diversion programs that requires
2 partnership with State agencies outside of Cal EPA all
3 together.
4 One example of this would be paper, the largest
5 single component of the waste stream. While California is
6 over 90 percent import dependent for its paper supply and
7 we also export tremendous quantities of waste paper, while
8 paper diversion rates have increased significantly and
9 impressively, this waste paper heads for the pacific
10 northwest or for Asia along with the jobs and tax revenues
11 associated with remanufacture.
12 This is not simply a waste issue however.
13 Rather, its an issue potentially involving the Trade and
14 Commerce Agency, the Business Transportation and Housing
15 Agency, the Employment Development Agency, and other State
16 BDOs. In fact, the farther the Waste Board has gone in
17 developing markets for materials diverted from the waste
18 stream, the farther it has had to move from traditional
19 solid waste policy into what could be termed industrial
20 policy.
21 I mention each of these challenges not to
22 underline how hard it is to make a big picture effort like
23 a strategic planning exercise really meaningful to the
24 facts on the ground, you already knew that, I mention them
25 to point out the opportunity to relate each of these

1 challenges to specific steps in the development of the
2 plan. In the act of asking the questions, the useful
3 answers are often revealed.
4 These four challenges of the limitations inherent
5 in AB 939 of aligning goals between the agency, the BDOs
6 and local jurisdictions, of aligning funding and
7 incentives with desired outcomes and of weaving solid
8 waste and recycling policy into broader State policy
9 development provide, in my view, the grist for the mill of
10 the strategic planning process.
11 Now that we've acknowledged the elements and
12 discussed the possible uses of the giant idea of
13 sustainability, how might this process proceed? Here are
14 just a couple of ideas.
15 First of all, disposal reporting based metrics
16 will always exist and probably should exist in some form.
17 I believe this process is an opportunity to move more
18 towards programmatic requirements and away from accounting
19 requirements.
20 As I mentioned before, while the 50 percent goal
21 was tremendously motivating in the early- and
22 mid-nineties, it is a static end point, and one that
23 rewards an undue emphasis on accounting.
24 Defining programs which we know are effective at
25 diverting material from landfill and then setting

1 successively more challenging goals to ensure that more
2 and more California residents have access to these
3 programs is a coherent alternative.
4 This is especially true as many of these programs
5 provide diversion while at the same time addressing the
6 overlapping needs of social responsibility and economic
7 prosperity in many cases.
8 Secondly, many companies we are working with have
9 developed metrics which measure the ratio of cost to
10 benefit for environmental programs. A similar approach
11 measuring tangible environmental performance as a function
12 of budget could focus activity on the most effective
13 programs here.
14 The last Waste Board strategic plan from 1997
15 addressed this issue in some cases. And this effort
16 should be continued. Finally, the kind of environmental
17 management system approach now being utilized by many
18 leading corporations in the US and abroad requires a
19 disciplined planning approach that rewards continuous
20 improvement on a systematic basis.
21 Such a systematic approach could be applied to
22 the requirements for local municipalities in California as
23 an alternative to static diversion goals. In any case,
24 the strategic planning process and the SB 2202 working
25 groups represent an opportunity to reflect on the kind of

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1 relationship between the Waste Board and the local
2 jurisdictions which best serves these policies goals.
3 Finally, a few words about the use of an
4 organizing principle. My contention is that the concept
5 of sustainability can provide a framework and an operating
6 principle for aligning the Waste Board as it moves forward
7 within the creative tension provided by the complex goals
8 of this organization.
9 Sustainability, as I mentioned earlier, demands
10 an active creativity to imagine because our current system
11 of primary resource extraction processing and
12 manufacturing, transportation and distribution and
13 ultimately of disposal or recycling is so far from that
14 ideal. But it is far more than an active imagination.
15 When a clear set of goals is tied to a
16 disciplined iterative process, it can unleash tremendous
17 motivation and energy. The use of an organizing principle
18 helps to ensure alignment of purpose. This is both true
19 within the Waste Board program and policy development and
20 in guiding the partnerships with other agencies and the
21 private sector.
22 The key to moving forward successfully is to
23 combine clear goals with a predictable, iterative process.
24 Again, I believe there are numerous examples of the
25 success of this approach coming from the corporate world.

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1 Genen Corps, IKEA, Baxter and Interface are all companies
2 leading their sectors which are grappling with both
3 sustainability frameworks and environmental management
4 systems to set their sights and deliver the goods.
5 It has been said that an EMS by itself is
6 incremental progress without a goal. It might equally be
7 said that sustainability by itself is a vision without the
8 means for action. The combination of a clear set of goals
9 informed by science based sustainability principles and a
10 disciplined continuous improvement process can provide
11 real attraction towards a generally recognized
12 effectiveness for the Board.
13 This approach holds the promise of uncovering
14 modes of regulations and program options, which work in an
15 informed way towards behaviors which are not harmful and
16 may actually be restorative of natural systems. It also
17 holds the promise of releasing great energy and motivation
18 on the part of the Board staff. Having specific tasks in
19 front of you that you know are connected to a meaningful
20 vision of a sustainable society and larger societal goals
21 is tremendously motivating.
22 I greatly look forward to the discussions that
23 will take place here today and to the tangible, measurable
24 results that they will lead to.
25 Thank you very much.

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1 (Applause.)

2 DEPUTY DIRECTOR NAUMAN: Thank you very much,
3 Adam. Our schedule calls for a break at this time. There
4 are a couple of panelists that we're still waiting their
5 arrival, so we'll take a break at this point until just
6 about before 10:00 o'clock. There are restrooms right
7 outside the door around the corner and further down the
8 hall and to your left is a break room where coffee and
9 soda machines and other things like that are available for
10 you.

11 So unless there are any comments from Board
12 Members, we'll take a break and see you back here at
13 10:00.

14 (Thereupon a brief recess was taken.)

15 DEPUTY DIRECTOR NAUMAN: We'll get started on our
16 next segment of the agenda here. Just a little change in
17 the agenda. You see that we had closing remarks scheduled
18 for the last item this afternoon. We decided that we will
19 also provide an opportunity for public comment at the end
20 of this panel.

21 So if you are interested in making a comment
22 about something you've heard in this panel, please feel
23 free to walk over at your convenience and pick up a
24 speaker's slip that Jill Jones is holding, fill that out
25 and just leave it on the corner of the table and we'll

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1 collect those and provide an opportunity before the lunch
2 break for comments. So if you have scheduling problems
3 and were hoping open comment would come earlier in the
4 day, here's your chance. If you'd prefer to wait until
5 the end of the day, that's fine too.
6 Okay, now I'd like to introduce the members of
7 the panel that are sitting up here. First we have in
8 order that they're sitting here not to confuse the
9 players, I think you know most of these folks. Yvonne
10 Hunter is the legislative representative from the League
11 of California Cities. And Yvonne is representing
12 obviously local government.
13 Kent Stoddard is the next speaker. He is the
14 Director of Government Affairs of Waste Management of
15 North America and is representing industry. Your schedule
16 shows Dan Avera, the Program Director of the Division of
17 Environmental Health Services for San Bernardino County,
18 as a panelist representing the LEAs. Unfortunately, he
19 had -- he didn't have, the airline had plane problems this
20 morning and he was unable to get out of San Bernardino for
21 our big day in Sacramento. So we do not have someone here
22 representing the LEAs.
23 Gary Liss is the President of Gary Liss &
24 Associates in Loomis. And Gary is our futurist on this
25 panel.

1 And finally, Rick Best, Policy Director for
2 Californians Against Waste. And Rick is representing the
3 environmental community. Okay, so, Yvonne, would you like
4 to start off --
5 MS. HUNTER: I will if you want.
6 DEPUTY DIRECTOR NAUMAN: You don't have to.
7 MS. HUNTER: I'll be happy to start.
8 MR. BEST: I'll start.
9 MS. HUNTER: Oh, I'll start.
10 (Laughter.)
11 MS. HUNTER: Hi. I'm Yvonne Hunter and I'm
12 starting. I'm with the League of California Cities.
13 Thank you very much for inviting me and for having local
14 government perspective. I think it's great as you put
15 together your strategic plan that you bring all the
16 stakeholders together to hear our ideas, although I
17 suspect a lot of what you're going to hear won't be too
18 surprising.
19 I'm going to be pretty brief because I think it
20 would be most helpful to have discussion after we hear
21 various ideas, in particular, for clarification. So in no
22 necessary order of priority these are the things that I've
23 picked up at the local level in my own mind, based upon
24 other issues that I think, from local government's
25 perspective, happen to be a priority. And something could

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1 happen next week that would change all of this.
2 But as of now, I think the work the Board did in
3 connection with -- or in collaboration with waste industry
4 and local government last year on the Class 2 waste issue
5 was outstanding. And I think we're two-thirds to
6 three-quarters of the way there to resolving it.
7 Prospectively, I think we've fixed it retroactively. And
8 we clearly need to continue to have discussions on that.
9 The reason we haven't gotten any farther, it's my
10 fault. Actually, it's not my fault, it's the energy
11 situation which has distracted my attention, and I was
12 just talking to Pat Schiavo, because I had offered to see
13 about pulling together a meeting for additional
14 discussions with Board staff and local government and
15 industry, so we need to move along on that.
16 Always a key issue is markets, markets, markets,
17 and more markets. And I think the Board has made some
18 progress in that area, but I keep hearing from local
19 governments, as I'm sure you do as well, that we need
20 robust markets. And whatever leadership role the Board
21 can take in that area, whether it's moving to have more
22 funding for Market Development Zones or pilot projects,
23 whatever, I think the good part or the icing on the cake
24 for Market Development Zones is it's also an economic
25 development tool for local governments. And that is

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1 something that we always find attractive.
2 The disposal reporting systems study that the
3 Board is doing, just that is an issue that we think the
4 Board should continue to move smartly along. I think the
5 fact that the Board set it up quickly and is moving ahead
6 on that is great, but I think as soon as we can get some
7 sort of stability or assurance in how the numbers are
8 handled, how they're counted, will be very helpful.
9 And to the extent that the Board can come up with
10 some recommendations or changes or guidelines or
11 discussions or whatever, well in advance of the deadline
12 that was in the statute for making suggestions to improve
13 the system, I think that would be great. If consensus is
14 reached earlier on, let's move ahead with it quicker.
15 We've been delighted with the partnerships that
16 have gone on between the Board and local government over
17 the last year and a half, primarily, I guess, mostly the
18 last year. And we would encourage the Board, of course,
19 to continue that. Local governments stand ready to work
20 with you in any endeavor that the Board wishes. And I
21 think we appreciate the partnership and let's continue it.
22 The energy crisis, I think, gives some
23 opportunities in the area of waste management. I've been
24 in and out of energy policy for 30 years. And I started
25 when I was six.

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1 (Laughter.)

2 MS. HUNTER: And this scares the heck out of me.

3 It has very, very widespread ramifications that we won't

4 even -- that just keep coming up every day. And I think

5 you'll find that local governments maybe focused on

6 surviving energy shortages, energy price dislocations in

7 their community, too, a little bit and that may be some

8 problems for them.

9 But I think the Board ought to look at what

10 opportunities the crisis presents to do some constructive

11 work, whether it's looking at how solid waste can fit into

12 alternative fuels, the fact that you have your, is it,

13 April or May, I can't remember, forum on conversion

14 technologies, the timing couldn't be better.

15 And I would encourage the Board to -- I think

16 it's already on the program, but perhaps add a session for

17 at least some discussions on where some of these

18 technologies can assist in replacing petroleum products,

19 whatever, types of technologies still in an

20 environmentally benign way, but this is a great

21 opportunity. And I think the timing is right, even

22 perhaps after the opportunities and constraints are

23 identified and perhaps looking into some possibilities of

24 pilot projects. The time is perfect for this, so I

25 strongly urge you to look at that.

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1 I know biomass is part of that process, but it's
2 also a separate issue. And I'm not even talking about the
3 ten percent cap or not, but I think biomass facilities
4 where the material otherwise goes to a landfill, I think,
5 the energy situation has potential there.
6 We've heard frankly of a number of biomass plants
7 that have shut down or are about to shut down because
8 they're not getting paid. And I was asked by the City,
9 well, what happens? We've been getting a certain amount
10 of credit, AB 939 credit, now we're not going to. Are we
11 going to get fined?
12 And I suggested that while I couldn't speak for
13 the Board, this is entirely the kind of situation that
14 existing law and the Board's guidelines considers in your
15 making a good faith effort, you didn't cause the energy
16 crisis, don't worry about it.
17 I just heard that the Department of Toxic
18 Substances Control might be coming out with a letter
19 declaring computer terminals hazardous wastes. And I
20 think the Board along with Toxics, working with local
21 government, the industry, private sector, certainly the
22 Board could play a leadership role in providing some
23 guidance to local governments on what to do.
24 I know Board Member Paparian has been working on
25 that issue. Perhaps, maybe the only good thing about it

1 is this will be a major incentive kick in the rear for the
2 industry to begin to look at seriously how to reuse some
3 of these.
4 And finally since our friends from the LEAs
5 aren't here, let me just comment that from local
6 government's perspective, we participated and submitted
7 comments as a part of a joint letter on the Auditor
8 General's report. And we think a number of the statements
9 and observations regarding LEAs were way overstated,
10 didn't have as much factual background as they might have,
11 and just, as -- it is an issue that will concern us
12 because I think it is -- LEAs should remain as the lead
13 Local Enforcement Agency point person for solid waste
14 facilities. And we stand ready to work with the Board on
15 all of that.
16 And with that, I'm going to end, and I thank you
17 for asking for our comments.
18 MR. STODDARD: Good morning. I'm Kent Stoddard
19 with Waste Management Inc. And, again, thank you for
20 having us. It's an important process, and I think along
21 the way you probably would hear a lot of redundancy.
22 Energy, energy, energy is obviously a huge issue, and I
23 think a terrific opportunity to do some things here at the
24 board.
25 And that energy problem we think is bigger than

electrical energy. We think it's electricity today, it's natural gas tomorrow and according to some folks in the Energy Commission it may be diesel and gasoline prices this summer. So we would hope that the Board would take a broad view of kind of everything that could be done to help deal with some of those energy issues, tapping existing supplies that exist within the waste system, and we think there are abundance of opportunities. And so we're very interested in working with the Board on all of those.

Let me say right off the bat, I didn't really plagiarize or didn't intend to plagiarize Adam Davis' term paper --

(Laughter.)

MR. STODDARD: -- but I think we really feel like he's hit the nail on the head here with the emphasis on sustainability and stewardship. For the past -- to back up, the sustainability philosophy, I think, is clearly the bedrock foundation of the Cal EPA vision statement that they came up with. It was inherent in your '97 strategic plan, part of your 21st century project, so this is not new.

It seems that we all discovered it at the same time, that command and control has some pretty severe limitations, and that we need some broader different

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1 approaches to take this program further than what AB 939
2 is ultimately going to provide.
3 And I think part of that's a realization too
4 that, you know, even if we meet -- if every city and
5 county meets or exceeds their AB 939 goals, we're still
6 left with a slew of problems. We'll still be generating
7 probably more waste per capita than just about any society
8 in the world. We still have diesel trucks that spew way
9 too much diesel exhaust into the communities that we
10 serve.
11 At least 30 percent of the households that have
12 curbside recycling service don't take advantage of that
13 service. So participation in some of those programs is
14 really spotty. And our landfills are still one of the
15 largest sources of methane gas emissions in the State by
16 about I think 1.4 million tons of methane coming off of
17 our landfills. So perfect compliance with AB 939 doesn't
18 necessarily get us where we need to be, so I think we
19 really do need a broader view, a broader strategy or
20 vision of where we need to achieve.
21 I had a -- well, I'll wait just a second. The
22 command and control, kind of, regulatory approach that
23 we've used, I mean, we view as absolutely necessary and we
24 don't see that going away. So I think when we talk about
25 sustainability of our stewardship programs, we're really

1 talking about the overlay on top of existing programs, but
2 there are some, I think, real opportunities to improve the
3 interplay and the synergy between those various regulatory
4 programs.
5 And I did have an overhead. This is a view of
6 the world from a hauler's perspective. And I probably
7 missed about half of the regulatory requirements that have
8 packed a small -- I mean, this is right down to a one or
9 two truck operation. Ergonomics requirements at the state
10 and federal level, South Coast rule 1193 mandating natural
11 gas and refuse trucks, brand new diesel particulate rule
12 will be coming down on garbage trucks, hours of service
13 requirements, hazardous waste regulations, material safety
14 data sheets, local hauling ordinances, which govern all
15 aspects of how we collect recyclables, AB 939, stormwater
16 runoff, Prop 65, hundreds of pages of vehicle code
17 requirements, bottle bill regulations and I'm sure I
18 missed a lot. Not all of those things put together very
19 neatly and --
20 BOARD MEMBER PAPARIAN: Based on the picture,
21 you've got litter control problems too.
22 (Laughter.)
23 MR. STODDARD: A litter problem and an exhaust
24 problem. The two examples of where we need better
25 coordination amongst our regulatory efforts. When 939 was

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1 started nobody was thinking about diesel exhaust as a
2 problem. Yet, the effect of that law was that we're
3 running a lot more trucks and a lot more routes, both for
4 curbside recycling, for green waste, for commercial
5 recycling and kind of at the peak of rolling those
6 programs out, the Air Board and the South Coast district
7 decided that diesel exhaust from refuse hauling vehicles
8 was a major risk to public health and needed to be dealt
9 with.
10 So they came up with very aggressive rules,
11 particularly at the South Coast, mandating use of natural
12 gas. I'm not suggesting that in any way that that's
13 inappropriate, but that was done without any regard to
14 what was going on with AB 939, where local communities
15 were in terms of the investments that they needed to make,
16 where the private sector was, was there an interplay, was
17 that going to be an obstacle in any way to achieving our
18 diversion objectives was never considered.
19 Another example, are the ergonomics requirements
20 that have been adopted at the federal level coming down to
21 be implemented at the State level? That will be the
22 single most profound impact on how we collect refuse and
23 recyclables, how we sort and process those materials. And
24 right now I couldn't begin to describe how the Waste Board
25 can have a role in that very important process that is

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1 going to have implications for the next decade.
2 So I think there are some real opportunities that
3 we can figure out of how the agencies can have a more
4 cohesive view of what we're all trying to accomplish here,
5 and I think that flows from a better articulation of some
6 very specific sustainability policies and objectives.
7 The other shortcoming in the current system that
8 we see is the -- under a command and control -- under this
9 system, really, we measure -- there's no incentive really
10 either explicit or implied to go beyond the basic
11 regulatory requirements. In effect, you're doing pretty
12 well if you can just comply with all of this.
13 And the way we evaluate environmental excellence
14 is the absence of violations, which we kind of view that
15 as that's the way -- the equivalent of evaluating the
16 effectiveness of an NBA basketball player based on missed
17 shots and turnovers and technical fouls as opposed to
18 points scored, assists, rebounds, how many games you've
19 won. And it's a negative evaluation system.
20 We think there are tremendous opportunities for
21 all of us, public and private, that are providing these
22 services, to do a better job of protecting the
23 environment. But under today's system, there's just not a
24 lot of incentives or recognition for those types of
25 programs.

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1 Consistent with that is, I think, a valid
2 criticism of the State Auditor's Report is that it really
3 focused just on the regulatory miscues at the Waste Board.
4 Again, counting the missed shots, the turnovers, really
5 not looking at all the positive things that have happened
6 over the past ten years at this Board.
7 The level of protection that has provided public
8 health through all of the regulatory agencies that have
9 opinions for solid waste, I don't think was acknowledged
10 at all. The strengths of the current program like our
11 environmental review process, the exhaustive local
12 planning process that all solid waste facilities go
13 through. And, again, it was not really considered. The
14 stringency of California's air and water quality standards
15 are missing from that report.
16 So I think there's a valid role for that report
17 as it looks specifically at regulatory glitches or things
18 that can be tightened down or fixed or streamlined or
19 improved. But in no way did we consider that to be a
20 particularly helpful overview of the entire solid waste
21 program or laying out a map or strategy of where we need
22 to go for the next ten years.
23 I wanted to just highlight four long-term
24 sustainability objectives that we see from where we sit
25 within the industry right now. And these are in addition

1 to recycling and diversion.

2 The fact of the matter is we are also major truck

3 companies and we have major facilities. So, yes, a part

4 of our business is recycling, but a part of our business

5 is the safe, environmentally sound transportation of

6 millions and millions of tons of material. So as we view

7 where we need to get as a company and an industry over the

8 next ten years, the first is we need to reduce fuel

9 consumption. We think it's easily achievable to reduce it

10 by 20 percent, the fuel that we consume, picking up waste

11 and recycling through better technologies, engine

12 technologies, power takeoff technologies, computerized

13 routing, real-time monitoring of our fleet. There are

14 significant opportunities to reduce the fuel that we use.

15 If the industry got 20 percent reduction, we're

16 talking about 35 million gallons of diesel fuel every year

17 that's not produced, not transported, not burned in

18 California. And we think that that is ultimately

19 achievable.

20 Second is we know we have to reduce exhaust

21 emissions, you know, by at least 50 to 90 percent. Some

22 of that's going to be natural gas, some of that's going to

23 be clean diesel, but both of those alternatives represent

24 the opportunity to reduce particulates by 80 to 90

25 percent, to reduce NOx by as much as 8,000 tons per year.

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1 Just from refuse trucks, that's twice the total amount of
2 the Smog Check II program in terms of its impact on
3 reducing oxides of nitrogen from heavy-duty vehicles.
4 Third, we've got to cut landfill gas emissions,
5 methane in particular. I think there were tremendous
6 opportunities to pursue bioreactor projects to enhance gas
7 recovery at all, virtually at all of the solid waste
8 facilities in the State. The gas that we would produce
9 from those facilities could easily provide electrical
10 energy to over a half a million homes or it could be used
11 to convert biogas, to convert landfill gas to a biogas
12 fuel that could power every single refuse truck in the
13 State of California with a clean renewable source of
14 energy.
15 And then finally reprocurement, I think, is
16 another area that there's just tremendous opportunity.
17 Again, if our industry did nothing more than ran
18 re-refined motor oil in all of our trucks, we create
19 demand for almost a million gallons a year of re-refined
20 motor oil. So these are all things that our industry
21 needs to be doing in concert with the regulatory agencies
22 and the Board to get where we need to get in addition to
23 hitting bigger targets on recycling, waste diversion,
24 waste minimization.
25 So I have three recommendations today for the

1 Board as they put together their strategic plan. I think
2 one is think really big, define your mission very broadly
3 to encompass sustainability and stewardship in all aspects
4 of solid waste management. Number two is to set very
5 specific three and five year targets to promote continuous
6 improvement and self evaluation and take advantage of
7 opportunities that arise like today's energy crisis.
8 I think for the next several years there are
9 tremendous opportunities here not only to produce energy
10 from the waste residues, but to conserve energy and the
11 way we manage our business. But we also have a great
12 public education opportunity. I mean, every Californian
13 needs to understand that when you recycle a glass bolt you
14 save enough energy to light a hundred watt light bulb for
15 four hours.
16 So the energy associated with recycling that
17 message, I think, is just ripe for us to get out and use
18 as a basis for really beefing up our recycling efforts.
19 The third, and Yvonne talked about this,
20 strategic partners I think offer tremendous opportunities
21 to go beyond minimum regulatory requirements both at local
22 governments with product and packaging manufacturers
23 private waste companies, to really persue the broadest
24 range of sustainable policies that all of those parties, I
25 think, are capable of providing and that ultimately take

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us way beyond the 50 percent diversion rate.

We see three unique, immediate opportunities for those types of partnerships. And one is AB 939 and alternative paths to comply with 939. When the Legislature discovered that most school districts, local schools, were completely overburdened by the Education Code they created charter schools. And they said we're going to give you a different way to pursue our fundamental goal of educating kids.

I think there's a model here for the Waste Board. I mean, I think most local governments and certainly all of the haulers are really frustrated with the accounting aspects of 939. I think the program is too complicated, is too time consuming and the payoff for all of that accounting is -- I'm not sure it's really there. I think there are local governments that, if given the opportunity to present their own five-year program for waste management and diversion and recycling, would probably come up with some pretty innovative opportunities.

And we would love to see that option available for local governments that are a bit of a departure from the accounting system that we have today. The second opportunity is really an example that US EPA has been using. They call it their environmental achievement track program.

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1 And what it is is encouraging those companies
2 that really have set up environmental programs to go
3 beyond minimum requirements to come in, get recognized by
4 the agency, put together a specific plan of things they
5 want to accomplish, whether it be energy conservation,
6 reduced emissions, critical habitat expansion, wetlands,
7 whatever. Commit to a plan that they want to achieve and
8 then monitor and report to the agency on that plan. And
9 the agency's goal is to highlight those accomplishments
10 and give those companies or public agencies the
11 recognition for those types of sustainability and
12 stewardship programs. I think that's a great model.
13 And then third, the partnerships to promote
14 manufacturer responsibility, we're seeing more and more
15 companies approach us and initiate their own programs to
16 take greater responsibility for the products that they
17 produce, whether it be the reuse of that product, the
18 refurbishment, the recycling or in some cases just a
19 responsible disposal. The Hewlett Packards, the IBMs,
20 Nikes are all pursuing some aspect of product stewardship,
21 and I think there are tremendous opportunities for the
22 Board to work with those companies and with public and
23 private haulers to help ensure that those programs
24 continue.
25 So I'll stop there. We appreciate the

1 opportunity to participate today.
2 MR. LISS: Good morning. I was described as a
3 futurist presentation.
4 I'm not sure that I have the qualifications as
5 I'm not more than 50 miles away from home, but I
6 appreciate the opportunity to speak here today.
7 I have a lot of material, which I provided you in
8 your handout, and I'll be going through overheads, which
9 are covering most of the things in the handouts so you can
10 look at your handout for the overheads.
11 (Thereupon an overhead presentation was
12 presented as follows.)
13 MR. LISS: Major issues for the next five years.
14 There's lots of issues on our plate, but I tried to focus
15 on some of the major new things that I thought need to be
16 brought to your attention as priorities for your
17 consideration.
18 The top five that I came up with were new rules
19 for landfills, incentives, new rules for business, smart
20 market development and zero waste.
21 On new rules for landfills.
22 --o0o--
23 MR. LISS: Beyond the implications of the
24 Auditor's Report, we're seeing more and more attention
25 being given to landfill regulations, interestingly being

1 pressed by the existing solid waste industry seeking new
2 rules for new technologies of bioreactors around the
3 country.
4 And, in fact, EPA opened up their docket for the
5 first time in a decade last year for public comment on
6 subtitle D, in general, what should we do about regulating
7 landfills, just put it out there, are we on the right
8 track, should we change? We, at the Nation Recycling
9 Coalition, where I was on the Board of Directors at the
10 time, submitted testimony which is posted on the NRC web
11 site that highlights significant problems with the current
12 regulations.
13 Although, we've made great progress from where we
14 were a decade ago, the fact of the matter is we're dealing
15 with technology from the 1970s. RCRA was adopted in 1976.
16 This whole technology of ours of encapsulating waste is
17 not working effectively, and we need new technologies.
18 Bioreactors are being pushed by major landfill operators
19 as a way of decreasing their costs over time,
20 interestingly by adding water to accelerate decomposition.
21 I believe that bioreactors are a good direction
22 to go, but they need to be a different direction in design
23 than is being advocated by the industry today. They need
24 to be secure, above ground bioreactors with maximum
25 organic bands before getting there and source separated

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1 before getting there and having mandatory preprocessing
2 before it's anything is buried into the ground.
3 Regulations governing this are being pushed by
4 climate change. As Kent noted, methane is one of the
5 state's and nation's largest contributors to the
6 greenhouse effect. Four percent of greenhouse gases is
7 coming from methane from landfills which are the largest
8 single contributors of this country to that effect.
9 EPA regulatory review not only was for Subtitle D
10 but they also opened the doctor on bioreactors and was
11 supposed to testify on that. And I urge you to reopen the
12 door to assess the overall premise of the regulations
13 governing landfills in California. There are errors in
14 the assumptions.
15 With that said, I also believe that all solid
16 waste from California should be required to at least meet
17 current California regulatory standards as conditions of
18 contracts and this is particularly important when you look
19 at out-of-state transfer of waste, which is becoming a
20 major player in the environment of solid waste today.
21 To that end, I believe that we need to have a
22 moratorium on no new landfills for at least five years
23 preferably to review the technology, to assess the
24 underlying assumption, to find out why EPA staff in 1982
25 said that all landfills would leak and to get to the heart

of the current design problems with those land fillings.

And diversion requirements need to be integrated with the regulations of landfills. We need to have the dual responsibilities of the waste board for regulation and promoting diversion integrated in one of its most powerful tools, the permit conditions. And the permits should have -- every single one of them should have requirements that lower fees be charged for clean materials, source separated, that there should be preprocessing as a requirement before anything is buried, to leach out toxics so we don't have the toxics going into the groundwater, that all the sources of waste coming to the landfills must be from communities that meet AB 939 requirements, so long haul, rail haul will not be an option for communities to get out from 939 requirements, and to do recycling on-site, particularly those landfills that are still close in enough to contribute to solving the urban problems.

--o0o--

MR. LISS: Next incentives. We need to restructure the marketplace. One of the underlying assumptions of AB 939, the very premise on which it was based, was that we should take apart the existing system of garbage that was flowing to the landfills with incentives designed to get it there the quickest, cheapest

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1 way possible to integrate other environmental
2 considerations and diversion requirements.
3 Unfortunately, 99 percent of the communities
4 around California were not able to achieve that. They did
5 bits and pieces, which we've documented. I've
6 participated on case studies for the Waste Board last
7 year, documenting tremendous successes by communities, but
8 they're individual pieces scattered throughout the system
9 all over this State.
10 We need to gather those things together and make
11 that a major part of incentivizing the system. As we just
12 heard from Kent, we need to give the right message. We
13 need to pay for what we want not what we're getting. We
14 want to pay for recycling. We want them to succeed by
15 diverting waste. We don't want them to benefit more by
16 disposing of garbage.
17 The reason multinational garbage companies have
18 had problems and been attacked for the lack of recycling
19 commitments at times over the last decade was because they
20 make more money on landfills than they do on recycling.
21 They make more money on garbage. It's because that's the
22 way local governments pay them.
23 We need to change the way we pay our contractors.
24 Probably the best example of success on this is the
25 variable rates program where we paid the incentives to the

rate payer, where we charged the residential rate payers on the basis of what they use for service. And that has been documented as one of the single most effective tools for increasing recycling rates.

To restructure the market place, we need to revise our RFPs, our contracts, our rates, our ordinances, our land use permits, our facility permits, our general plans, our zoning, our local government policies and the very definitions that are embodied in all those documents. That was what 939 was supposed to be about. It has not happened in that way in a concerted effort. It's been spotty at best. It needs your leadership to focus on those activities in the future to encourage waste prevention, reuse, recycling, composting.

--o0o--

MR. LISS: Specific ideas of contractor's payments. Another side that just comes up on the screen is highlighting that the incentives are needed for the waste generators, the haulers, the landfill operators and the reuse recycling and composting facilities having incentives throughout this system.

Next slide.

--o0o--

MR. LISS: Incentives that we're talking about are on contractor payments, how you pay the contractors

like I've talked about, performance incentives and penalties, how you structure those, so they win by recycling and lose by wasting. Variable rates is a great success in residents, and you've been doing a great job in promoting that as has EPA.

Franchise fees are a fascinating thing. Southern California has experimented paying -- having haulers pay them less money the more they recycle. So if they are helping to meet the goals, they get rewarded financially by not having to pay the communities as much money.

Deposits, C&D arena, is seeing a lot more use of deposits, where you're required to have deposits placed by contractors coming for a building permit, a C&D permit, deposits that they will meet a goal as in Atherton, a 50 percent waste diversion. And if they do, they get all their money back. If they don't, the deposits stay with the City.

Leasing of equipment, we're being informed that just came out an excellent report on leasing as one of the key tools that bring manufacturers together with their implications of the waste of their products. By leasing equipment, they have to take responsibility for their product and figure out the best way to go with that. That's why Xerox is a zero waste company. They're committed to zero waste, and they just spell it with an X.

--o0o--

MR. LISS: And building on existing businesses and incentives, communities don't have to reinvent the wheel on everything.

This slide on the screen, the incentives goals, if you look at the first category, originally we started before 939 with most of the money going to solid waste. 939 essentially required most communities to add recycling on top of that system.

What integrated waste management was about was really saying, do what Kent said, do it more efficiently. Not necessarily put so many more trucks on the street, think of ways of cocollecting materials and doing other things that audit more efficiently and use competition to squeeze out the extra payments that are embodied in the previous solid waste system. And hopefully over time the next goal for integrated waste management would be to be more comparable to where we started.

--o0o--

MR. LISS: For business, the third priority, we need to have new rules. The reason we have waste is the system is broken. Waste is an indicator of the system not being efficient.

Sustainability -- companies committed to sustainability recognize that and are trying to squeeze

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that out. And in squeezing out that inefficiency, they're becoming more cost effective. And we as local -- the problem is many of those companies won't do it themselves without additional encouragement or goals or targets because they can make more money through their core business than they can through solid waste savings.

So even though the great news is they'll save money if they participate, they won't save as much money as if they put their effort elsewhere in their business. So someone has to challenge them to do it and do it right and communities around the State and around the nation have used these types of tools to come up with new rules for businesses.

Plans, requiring businesses to do plans to meet 50 percent goals. Requiring in permit conditions that developers develop C&D recycling programs, use recycled content products and provide recycling in their operations like the La Playa Vista project in LA, requiring businesses to adopt goals of recycling to meet those goals, putting deposits down as we talked about, to report on their successes so the cities can report to you and to share responsibility for their products with leasing, helping develop customer loyalty and developing new takeback systems.

The carpet industry is doing, like Kent was

1 talking about, a wonderful partnership in Minnesota.
2 Collins and Aikman hasn't put one pound of waste in the
3 landfill since '93. They are at a point where they need
4 more carpet. And they are not trying to figure out how to
5 get the carpet back to them in a cost effective way taking
6 back their product to make into new product.
7 And all of it is moving towards the same ability.
8 --o0o--
9 MR. LISS: On the fourth item, smart market
10 development. We need to really embrace the goal of what
11 the Ferguson Bill was all about in the beginning for
12 recycling Market Development Zones. We believe that the
13 original thought behind that was to develop resource
14 recovery parts, collocated reuse, recycling and composting
15 businesses, processing, manufacturing and selling back
16 products to the public so they could drop and shop, drop
17 off their materials and shop for new products from the
18 reuse and recycled materials that were produced.
19 That's what the Ferguson bill was all about. The
20 RMDZ zone program is an idea as it's been implemented, but
21 it's not what we started with in the recommendations in
22 the eighties. We need to go back to that and put some
23 effort behind moving forward with resource recovery parts.
24 The RMDZ program has been a success in many ways,
25 though, and we need to strengthen the funding for that,

selling loans, leveraging the community reinvestment strategy of banks, and building on the tremendous network that we've developed over the last decade. It's a major success and, we need to keep that going.

Environmental purchasing, not just for recycled content product, but all environmental products, is a major new initiative. And green building is a tremendous opportunity for the future.

--o0o--

MR. LISS: Adam talked about sustainability. I have just a couple sides outside of what I prepared that I brought over that for those to -- sustainability is meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Next.

--o0o--

MR. LISS: The need nor sustainability is because -- about 94 percent of the materials extracted for use in manufacturing durable products become waste before the product is even manufactured.

Overall America's material and energy efficiency is no more than one or two percent. And that goes to Kent's comments about energy conservation. I was involved with the energy master plan in New Jersey and we talked about the energy conservation production potential of

solid waste in the 1970s. We need to go back to that. You can make American industry a lot more efficient.

--o0o--

MR. LISS: Sustainability is the overriding principle and I'm thrilled that Adam and others have spoken in favor of that. In fact, the word zero waste was coined by the environmental community to try to get people's attention about what sustainability means for the solid waste industry. We have been talking sustainability in the 1995 era. And people were glossing over, didn't know how it related to their job.

But by '96 we started setting zero waste. And all of a sudden it made sense to them. Oh, sustainability is meaning you don't forget about the other half of the waste stream, you actually have to do with it all. When you have a cup like this, you think about in the AB 939 system, which bin does it go into.

In the sustainability system you think about why do we have this cup to begin with? Is there a better way of dealing with this? Could we use biodegradable compostable products. Zero waste and sustainability requires you to focus on the whole. It is the broader goal. It is the overriding principle that needs to be pursued. It is the new goal beyond 939 that the State needs to adopt and should adopt in the strategic plan.

We need to end subsidies for wasting design, get jobs from design and discards, ship from waste management to discard management with new rules for business, incentives, taxing bags not goods.

And next slide.

--o0o--

MR. LISS: More. Keep going.

BOARD MEMBER PAPARIAN: Getting to the noncontroversial areas now.

(Laughter.)

MR. LISS: Zero waste businesses are showing the way. Many companies, we've documented, over 90 percent waste diversion. There's a slide that's buried but --

MS. HUNTER: It's not diverted.

(Laughter.)

MR. LISS: Buried, not diverted. It's diverted from our attention. But the zero waste businesses are showing the way, Hewlett Packard here in Roseville, IBM, Pillsbury DoughBoy. These are companies that are leading the way. Collins and Aikman, these are companies that are as we have considered them, zero waste business on the grass roots recycling network web site, because they have diverted over 90 percent of their waste stream today.

And zero waste is practical and can be achieved, it's just a question of attention. There is no waste in

1 nature. Everything in nature is a resource, a home or a
2 use by something else. If not zero waste, then we have to
3 plan for 50 percent for landfills and you heard what we
4 think about landfills earlier.
5 For strategies, for you to try to hit some high
6 points, the regulatory, promotions and health and funding.
7 On regulatory for landfills, we need to focus on
8 the regulations and diversion requirements like I talked
9 about at the outset.
10 --o0o--
11 MR. LISS: On bans. A lot of the bans may be
12 difficult in this State to do on a statewide basis. I'm
13 advocating you advocate with the counties to work with
14 them to figure out which materials in which counties
15 should be banned. In North Carolina more than half the
16 counties have banned corrugated from the landfill. And
17 you decide what to ban based on what is economically
18 feasible in the area.
19 The ban then just gets everyone's attention that
20 oh, I can't bury it here and I have to do something else
21 with it if the markets are there.
22 Government plans, like the other speakers have
23 spoken about. Focus on programs and results, not
24 accounting. We've gone way overboard on accounting. It
25 was not the intent of 939 to do that. You've put too many

resources into that. Local governments have put too many resources into that. If all those resources had gone into implementing programs, we'd be farther ahead today. We need to take that approach for the future. Let's rethink where we are and move to a different direction, both for local plans and for AB 75 State plans.

For business rules, we've got minimum content, and ADF on the table. You've been doing a good job with those. The newspaper program is phenomenal. We need to continue to change the rules for businesses to give them the incentives so that they work with us together. And particularly the problem waste like computers and E-waste like we've heard from speakers. Plastics and paints are two of the most pressing things that the industries have not taken responsibility appropriately for their materials.

Promotions and help. Next slide.

--o0o--

MR. LISS: Local assistance. We need to have more models and be working together with local governments hand in hand. One of the best things that has happened with your compliance schedules is that it actually changed your role to be more working in partnership with the communities, ironically, that were furthest behind to develop partnerships to help them solve their problems

1 together.

2 Peer matching, helping pay for the travel from

3 one community to another to get people talking to each

4 other more, providing work groups of local government

5 officials and industry people around the State, working

6 together on specific projects on all forms of local

7 assistance that can be done cost effectively within your

8 budget.

9 Market development, we talked about. Organic,

10 C&D, the priorities of your current strategic plan, top

11 priority, no question about it. Business efficiency and

12 waste prevention are in there in your plan. They should

13 stay. They're a high priority.

14 New ones, counter-consumption campaign. We need

15 to counter the consumption efforts at more, more, more

16 stuff with a simplicity movement like the anti-smoking

17 movement. It started in the Pacific Northwest. Some of

18 the secrets have moved to California now. We need to

19 build on that counter consumption campaign, like CRRA is

20 working on. We need to work collaboratively in work

21 groups for the problem materials in the way of the

22 strategic partnerships that Kent talked about.

23 Finally on funding, we need to increase the State

24 landfill fee. The original premise of 939 was the

25 surcharge on the landfill to cover or increase costs for

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1 939 implementation was to be supplanted by ADFs.
2 Unfortunately, the telestudy on ADFs went way overboard
3 politically. It was a bomb. And as a result, we've been
4 suffering the consequences since.
5 We need to revisit the whole premise that was
6 part of 939. We need to increase the State landfill fee
7 to keep your cash flowing at the level you need and
8 simultaneously provide additional incentive in so doing to
9 make recycling more efficient.
10 We need to harness the cash flow in our garbage
11 collection and disposal. In this State alone over $5
12 billion a year is spent on garbage collection and
13 disposal. I view that in a zero waste world as my budget
14 and you should view it as yours.
15 And the only way to harness that is through the
16 incentives, the RFPS, the contracts, the ordinances,
17 incentivizing the system so that they are working for you
18 not against the goals that you've established.
19 New rules to internalize system costs. More
20 targeted AFS for different things. ADFs for things like
21 paints need to be adopted, and plastics need to be
22 adopted, too, this year. Support those bills before the
23 Legislature, local governments need that support from you.
24 And when you have these ADFs, pool the funds
25 together and figure out through a budget process on how

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1 best to allocate all of the funds for your top priority
2 needs not just by basis of the funds provided.
3 And finally leverage your resources by hiring
4 experts. There's a lot of expertise in this State,
5 including in local government, industry, generators. Hire
6 the expertise you need and make this work. You've done a
7 great job today. There's great challenges ahead. I urge
8 you to meet those. And I appreciate the opportunity to
9 suggest some ways to move forward.
10 Thank you.
11 CHAIRPERSON MOULTON-PATTERSON: Thank you.
12 BOARD MEMBER PAPARIAN: A little passion here.
13 MR. LISS: No.
14 (Laughter.)
15 MR. BEST: Thank you. Good morning, Chairman
16 Moulton-Patterson and Board members. My name is Rick
17 Best. I'm the Policy Director with Californians Against
18 Waste. It's a pleasure to have the opportunity to speak
19 here today. I'm really pleased that the Board has taken
20 this opportunity to set aside some time to really talk
21 about some of these issues before the Board dives in and
22 starts working on developing that strategic plan. I think
23 it's appropriate for the Board to do.
24 I think it's very fitting that the Board is
25 looking at this issue here at the beginning of the year

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1 2001. I think certainly, clearly the Board with the
2 number of new board members that have come on within the
3 last year or two that the Board is certainly poised to, I
4 think, set some new directions for us.
5 Certainly, the Audit Report, while I certainly
6 can understand a number of concerns that have been raised
7 about the specifics and what ultimately comes out of it, I
8 think, nonetheless, the Audit Report provides an outside
9 perspective that, I think, really helps the Board start to
10 rethink many of the past policies and programs that have
11 been implemented, and to really kind of refocus itself on
12 making sure it's meeting the legislative mandate that was
13 set out for it, in terms of both maximizing waste
14 diversion, while protecting public health and safety
15 through responsible waste management and disposal.
16 But I think most importantly, the fact is this
17 year, year 2001, is really, I think, the first opportunity
18 for the Board to truly give a fresh look at its vision.
19 The fact is for the past ten years the Board, along with
20 local governments, waste haulers, recyclers, the public,
21 everyone has been focused on this singular load that was
22 established by 939 in achieving a 50 percent diversion.
23 All the programs, all the discussions all focused
24 on achieving that goal. Now, while we haven't achieved
25 that goal yet, I mean, we're, I think, in a 42 percent

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1 rate. There is still a little ways to go. And there are
2 certainly a number of jurisdictions that we're going to
3 need to help to make sure that they get there.
4 The fact is with the year 2000 now behind us, I
5 think it does create that opportunity for the Board to
6 start refocusing its mission, using the ten years
7 experience that we built up, since 939 was first passed
8 and really kind of focusing on developing what is going to
9 be our, kind of, post AB 939 framework that we're going to
10 move forward with.
11 While it's never really clearly stated in law,
12 the fact is that the Board really is helping to lead the
13 State, I believe, in achieving the ultimate direction of
14 zero waste. A couple of speakers have -- certainly, Gary
15 has outline the importance of zero waste. I think while
16 many may scoff at whether zero waste is truly achievable
17 or an appropriate policy perspective, the fact is it is.
18 It does provide that appropriate policy framework, not a
19 specific goal. It's not, you know, we're going to
20 necessarily achieve zero waste by a certain date.
21 But it provides, I think, a planning principle.
22 Something for the board to think about, and all of us here
23 in California to think about where we want to go. And the
24 fact is it already is current law. The fact is Public
25 Resources Code Section 40051, the statute that outlines

1 the hierarchy of AB 939, the source reduction first,
2 recycling and composting second and landfilling and
3 incineration last, actually does have a clause that says
4 it's the direction of the State that the policy shall be
5 to maximize those diversion opportunities not just 50
6 percent but to maximize it to the maximum extent feasible
7 before communities consider landfilling and incineration.
8 So I think it already has been, I think, as I
9 said, while not really an explicit focus of the State, the
10 fact is it has always been, I think, a principle that we
11 need to recognize and try and build towards in the future.
12 With that in mind, I'd like to kind of focus on
13 what I see as kind of the major issues facing the Board
14 over the next five years or so. And there's five
15 specifically that I'd like to discuss.
16 Clearly, I think the AB 939 planning efforts in
17 terms of local governments and the whole community,
18 frankly, working towards achieving the 50 percent goal, I
19 think, will continue to be at the forefront of the Board's
20 agenda.
21 Certainly we all know, I think, that there's been
22 a lot of controversy and concern about the quantification
23 issue. I think a lot of the energy that we've had to
24 spend dealing with some of these numbers issues is
25 unfortunate. And I think we really need to look at ways

1 that we can kind of refocus that attention so that we're
2 not spending so much time and energy. And I certainly
3 appreciate the opportunity to be part of many of those
4 working groups that are actively working right now in
5 trying to work out some of those issues and how can we
6 kind of redirect the Board's energies and local
7 government's efforts in the future, so we aren't wasting
8 our time on some of these numbers.
9 But certainly that's, I think, a key issue that's
10 going to need to be addressed. I think related to that,
11 and I just highlight this as a specific example, I think
12 the Board really needs to really take a look at what are
13 the goals that we're setting for local governments and how
14 are we making sure that the goals we're setting are really
15 leading to the ultimate benefits that we want to achieve?
16 And I say that I think the strict or the broad
17 diversion goal that we've established in 939, I think
18 sometimes loses site of some of the specific things that
19 we kind of expected that would come out of AB 939.
20 And I look at, for example, the issue of
21 alternative daily cover. Here was a policy that was
22 intended to try and help local governments at a time when
23 they were concerned that they may not have markets for
24 these materials, that they were concerned that they
25 wouldn't be able to meet 939 to quantify this out.

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1 And what it's turned into is a major loophole, a
2 major incentive, if you will, for landfills to be taking
3 in far greater ABC materials than was ever first expected.
4 When 939 went -- excuse me, when the whole ABC thing first
5 started, it was expected that ABC was only going to be
6 five to seven percent of what's coming into the landfill.
7 But the fact is, taking a look at the most recent numbers,
8 over a dozen landfills are exceeding 20 to 25 percent use
9 of ABC.
10 And I think that's far in excess of what we ever
11 thought was going to be possible. And so I think it
12 really suggests that the Board really needs to start
13 looking at how do we create a policy framework for this
14 post 50 percent, post AB 939 framework, where we'd, rather
15 than just focusing on this broad 50 percent goal or some
16 other goal that we establish, let's start and look at
17 trying to focus our energy on specific programs, specific
18 policy areas that we really want to see improvement. So,
19 for example, looking at per capita disposal. You know,
20 that would be one measure of making sure that we're making
21 progress, looking at household curbside programs, what is
22 the pounds per household per week being collected, making
23 that as a measure of trying to evaluate one program versus
24 another.
25 I think there's a number of areas, and certainly

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1 I'm not suggesting that I have an exhaustive list at this
2 point, but I think we need to start looking at what are
3 those post AB 939 measurement tools that we want to be
4 using in the future to really measure how we're doing.
5 Besides making better progress in terms of
6 measuring and achieving the waste diversion goals that
7 we've established, I think the Board really does need to
8 make a serious effort in the second policy area, and that
9 is reducing waste disposal in accordance with our waste
10 reduction policies.
11 The fact is over the past ten years, we've seen
12 disposal capacities skyrocket from just ten years in 1989
13 to over, I think, it's over 45 years now in year 2000.
14 And the fact is it's not so much alarming that we had this
15 huge amount of capacity. I think it's certainly a credit
16 that we've redesigned our landfill framework and we're
17 looking at building fewer landfills but much larger ones
18 that are in much more environmentally less sensitive
19 areas.
20 But the fact is we need to be restricting the
21 daily disposal capacity so it's more in line with the
22 amount of diversion and the amount of disposal that we are
23 expecting. And so I think that is one key area of the
24 landfill audit report that I think really does need to
25 make a priority. You know, whether or not we're going to

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1 ban future landfills or landfill expansions, that's, I
2 think, maybe something that would be more difficult to
3 accomplish. But I think we very much can start to look at
4 how can we get policies, get authority to the Board to
5 start looking at some of these capacities so that there
6 really is better balance landfill capacity with our real
7 disposal needs.
8 This brings me to the second major priority issue
9 area that I see and that's the permitting and enforcement
10 of landfills and solid waste facilities. I think the
11 audit report clearly lays out a number of policy areas
12 that, I think, needs to be reformed. But I think more
13 than just simply improving regulatory oversight and
14 eliminating some of the old board policies that are in
15 conflict with State law, the fact is, I think, the Board
16 really needs to be given some of the tools that it's
17 really lacking right now.
18 I think first and foremost the Board really needs
19 to have a real role in the permitting by requiring an
20 affirmative vote before a permit can be issued. I think
21 the growing list of the permits that we've seen over the
22 last couple of years where a 3-3 tie vote leads to the
23 issuance of a permit is really embarrassing I think. And
24 it really begs the question of whether the Board is really
25 adequately being responsible in protecting public health

1 and safety.

2 I think the Board needs to have a clear role in

3 taking an affirmative vote when issuing a landfill or

4 solid waste facility permit.

5 But beyond that, I think the Board needs to be

6 looking at giving greater authority on other issue areas.

7 Certainly, environmental justice is one that is creating a

8 lot of attention, both at the local level and at the

9 federal level. I think it's appropriate for us to start

10 looking at ways that we can incorporate some of those

11 issue areas into the Board's decision making process.

12 The third issue area that I think needs to be a

13 priority for the Board is ways to promote producer

14 responsibility. The fact is, you know, 12 years after the

15 adoption of AB 939, local governments are still being held

16 nearly exclusively responsible for meeting a State's waste

17 reduction objectives.

18 I think the Board has made -- excuse me, local

19 agencies have made tremendous efforts in implementing

20 programs. But the fact is a lot of the changes that need

21 to happen in terms of changing the products we make, the

22 packaging that's used, the use of recycled materials,

23 those are things that local governments can't really

24 control.

25 We really need to have a producer responsibility

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1 ethic in California. And I think we really need to be
2 making an effort in trying to bring that about. The fact
3 is that of the laws that we have, they really only cover a
4 handful of materials, newsprint, glass containers, trash
5 bags and just a few types of plastic containers, there's a
6 whole range of other materials out there where there's
7 really no specific responsibility being established on
8 manufacturers.
9 Certainly, it would be our desire to have a
10 comprehensive manufacturers responsibility policy in
11 California. Certainly something like that, I think, is
12 going to take some time and effort to really go about
13 putting together. But in the meantime, I think the Board
14 can play a role in helping to encourage some of these
15 businesses that have already been mentioned, folks like
16 Xerox and other companies to, on at least a voluntary
17 basis, to start making that effort towards taking greater
18 responsibility by manufacturers for the products and
19 packaging they generate in the recycling of those
20 containers.
21 Finally, I think the final issue, key issue area
22 that, I think, the Board needs to do a better job at is
23 helping link recycling to the other environmental issues
24 facing the State. As we all know, the State is involved
25 in a massive energy crisis right now.

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But the fact is, I haven't seen a single story in all the coverage of daily coverage that we see every day about the energy crisis, the single story that really highlights, for example, the tremendous energy savings that is resulted from using recycled materials.

The fact is that's one of the key benefits of recycling is the conservation of resources by substituting diversion resources with recycled resources, the tremendous energy savings that goes into producing those products and package. So the fact is we need to start looking at how we can make recycling a bigger part of that in recognizing the environmental benefits both in terms of energy that result from it.

I think the fact that the Board is now joined with other agencies in the Cal EPA building, I think is going to go a long ways towards helping create an environment to where the Board can make those links. But I think it's very critical that the Board link up with these other agencies and really bring recycling tied to the other environmental issues that this State is facing.

And with those issues, all these issues that I've raised, I think the final area that I think needs to be addressed and has already been identified by Gary is that's the Board's State to be surcharged.

The fact is with massive increase in out-of-state

1 exports and the fact that the current tipping fee remains
2 at just $1.34 the fact is there's insufficient money to
3 fund many of the necessary board programs. And frankly
4 there's a lot of Board programs that I think we all would
5 like to see have happen that, frankly, the Board just
6 hasn't had the resources to really get initiated on,
7 things like supporting the cleanup and closure of old
8 landfill sites, so you don't have the trickling of waste
9 that was raised in the State Auditor's Report, a statewide
10 public education campaign that aggressively looks at
11 promoting source reduction, buy recycled messages.
12 The Board had done kind of a limited campaign
13 many years ago, but it was never a really comprehensive
14 look on a statewide basis. I think that's another thing
15 that local governments and others are looking to the Board
16 for some leadership on. I think a strengthened market
17 development program, a well funded RMDZ program.
18 I think there's a lot of things that the Board
19 could be doing that they just simply don't have the
20 resources right now to do so.
21 Certainly, we understand the concerns of not
22 wanting to see a tipping fee go simply into adding staff
23 and more bureaucracy. I think if we were to persue an
24 increased tipping fee, it really needs to be targeted, it
25 really needs to be done with the understanding that these

are going to go to specific new program areas that are really needed to help local governments and the State reach its waste diversion priorities.

So with those five issue areas that I've mentioned, AB 939, permit reform, producer responsibility, cross media environmental planning and addressing the funding needs as the guidepost to where we want to go, I'd like to kind of close with, I think, a few suggestions on where the Board can help get us there.

I think first and foremost the Board needs to recognize that it does play a critical role as the spokesperson in the State for waste management policy and recycling, and that it really needs to serve as the information source of the state of waste management recycling in the State.

While, you know, our organization and others highlight many of the specific issues as they come up, the fact is the Board, with its immense resources and ties to folks at the local level, I think is best equipped to really tell much of the story of what's going on in the State.

And here in the Internet age, while I think the Board has made some tremendous efforts to try and put maybe the databases, like the swiss database and the diversion reporting system and all those things in the

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1 hands of the public, I think it's been a tremendous
2 effort, I think there's much more that can be done.
3 I took a look at the Waste Board's web site
4 yesterday and I was somewhat disappointed to find that it
5 was very difficult to be able to find just on the Board's
6 home page an answer to I think two of the most basic
7 questions that we get asked, why do we recycle and what
8 did we accomplish over the last ten years?
9 The fact is those are questions that we need to
10 be telling the public so that they can be encouraged that
11 what they've accomplished has been good and it's
12 encompassed a lot, but there's more that can be done and
13 there's reasons why they should do it.
14 But the fact is that information isn't really
15 readily available. I was able to do a little searching
16 and I was able to find that the Board did have a page fax
17 at a glance. And it mostly talked about much of the
18 information that was in the fact sheet that we published a
19 couple of years ago. And we certainly are flattered that
20 the Board has gone ahead and used much of the information.
21 But I think there's more -- I think it really
22 points out that there's more that can be done, that the
23 Board can do a much better job at trying to collect that
24 information and really tell the story of what we
25 accomplished and where we need to go from here and what

1 will we achieve both in terms of environmental and
2 economic benefits through increased recycling.
3 I think another area that the Board certainly
4 needs to be looking at in terms of collecting the
5 information of where we're at is really looking at the
6 fact that right now the only information we have that's
7 really comprehensive in terms of what we've achieved is
8 the disposal characterization report that the Board
9 published in 1999 of, you know, a specific, item by item,
10 material by material.
11 The fact is that we don't have that on the
12 diversion site. I think that's really needed. Here ten
13 years later, you know, the only numbers that we have to
14 work off of are from ten years ago. It certainly doesn't
15 reflect all the numbers of programs that have gone on. We
16 really need to have a comprehensive diversion
17 characterization study so that we'll really be able to
18 tell how are we going in terms of recycling office paper
19 and plastic packaging as compared to yard waste
20 consumption and all the demolition debris. We really need
21 to have that picture of where we're at so that we can
22 really appropriate the plan for our future programs, where
23 we want to go.
24 So I think in addition to looking at being a
25 better information source for this material, I think the

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1 Board needs to continue to target these programs as it
2 develops it's priorities for its work. A couple of years
3 ago the Board had adopted a couple of core policy areas.
4 Local government assistance, yard waste and, I think,
5 construction demolition debris were some of those that the
6 Board -- and I think that was the appropriate strategy of
7 trying to focus the Board energies in a way of trying to
8 bring together the different parts of the Board, the
9 diversion and local assistance, the market development
10 folks, the permitting folks, trying to bring those folks
11 working together on specific policy areas.
12 I think it's appropriate for the Board to
13 establish some of those policy areas. I think some of
14 them may be different and I think some of that needs to be
15 based upon the Board's most recent disposal study so the
16 Board can really target those efforts on the key areas
17 where the Board needs to make more progress in diversion
18 planning.
19 And I think the third area that in terms of
20 long-term -- or the third area in terms of strategies that
21 I hope the Board will endeavor is really a simple one and
22 that is, I think, that, you know, the fact is the Board
23 hears regularly from, I think, a couple of key constituent
24 entities that are important ones. Certainly local
25 governments and waste haulers are key players and are well

represented at the Board.

But I think the Board needs to do more to try and attract some of the other key stakeholders that really need to be at the table. I'd certainly recognize that CW has some responsibility in this too, but I think we need to bring some of the other areas of the environmental community, for example, for bringing in waste generators or bringing in some of the other areas where the stakeholders just aren't well represented at the Board. We need to try and bring those folks in that can't have a seat and help us design the strategies and priorities for the future.

So with that, I appreciate the opportunity to speak here today. I think the Board has made some tremendous progress over the last ten years. I think the Board is well positioned to make even greater progress in the future. We're pleased that the Board is taking this on and look forward to providing further comments as this strategic plan gets developed.

Thank you.

DEPUTY DIRECTOR NAUMAN: Thank you, panelists, for your excellent presentations. We have about 30 minutes before our scheduled lunch break for discussion, so perhaps we could start with questions from the Board members of the panelists. Perhaps there are some

1 questions panelists wish to ask each other. And then I
2 don't know if we have speaker slips before lunch.
3 MS. PACKARD: One. He decided he wanted to speak
4 before lunch.
5 CHAIRPERSON MOULTON-PATTERSON: Okay.
6 BOARD MEMBER PAPARIAN: I'll jump in a little
7 bit. I mean, Gary speaks about zero waste. I think
8 you've got the -- I think I saw amongst your library you
9 brought the report from Del Norte County. And I guess
10 you've got a couple of others, Del Norte County Zero Waste
11 Plan. And I know I read recently that Toronto has adopted
12 some zero waste policy and I believe a number of other
13 local governments have talked about this across the
14 country.
15 I'd be interested, Ken, in your reaction to some
16 of this that now seems to be floating around the country,
17 the concept of setting a zero waste goal and trying to
18 move in that direction.
19 MR. STODDARD: I don't think anybody can argue
20 against having a goal of zero waste. I think where you
21 get down to talking about how you get there, then that
22 inflames some of the parties. But as the goal we all
23 ought to be working toward, zero waste makes sense.
24 MS. HUNTER: To piggyback on what Kent said, if
25 the goal is a step in getting there is to increase the 50

1 percent to 75 percent to zero I think there would be
2 revolution and chaos and people running off the cliff at
3 the local government level, and I will lead the charge.
4 If on the other hand, it is more along the lines
5 of sustainability, every business, every manufacturer,
6 every household has a responsibility to reduce waste, then
7 I don't think there will be that much concern.
8 Rick, I think, we're going to put you on the
9 League payroll where you made the comment that up until
10 now it's really been the responsibility of local
11 governments to meet the goal. And I recognize that it's a
12 partnership and the private sector has come a long way,
13 but we're the only ones who are on the hook to get fined.
14 I'm not suggesting we fine other folks but I
15 think we need to widen the circle to that extent, yeah,
16 but everybody needs to be involved in moving it to zero
17 waste.
18 MR. LISS: Yeah, I'd just like to respond. From
19 zero waste community, there's no interest in going from 50
20 to 75 percent and going down this path. What zero waste
21 was intended to do was exactly what you said, try to get
22 shared responsibility.
23 MS. HUNTER: And I recognize that. The problem
24 is occasionally people, I don't mean you, but I've heard
25 this in legislative arenas and I think it was at a CRRA

1 conference last year where someone said well, now that
2 we're at 50 percent, should we increase it to 75 percent.
3 And that's what gives folks real strong indigestion.
4 MR. LISS: And what I think we're at right now
5 for zero waste is where we were in the mid to late
6 eighties on integrated waste management. When we were on
7 the Senate task force on waste management in '88, the
8 environmental community was calling me a traitor for
9 embracing the goal of integrated waste management. And
10 what I said is no, we need to define what that term means
11 in our vision. And what we did is used the opportunity of
12 the crafting of 939 to define that common shared vision
13 that everyone could buy into, maybe not everyone gung ho
14 and really enthusiastically, but everyone around the table
15 basically bought into that vision of integrated waste
16 management.
17 We're at that same stage right now with
18 sustainability, whether you call it zero waste, whether
19 you call it no waste by 2010 as in Australia, which was
20 the first community in the world to adopt a community zero
21 waste policy, or whether you call it sustainability as
22 your principle as in the current Cal EPA documents as Adam
23 highlighted. Whatever you call it, we don't care so much
24 as long as the message is there.
25 Seattle said "on the path to sustainability" was

1 the name of their master plan for their city. And zero
2 waste in that plan is a design principle to guide them on
3 the path to sustainability.
4 So that's what zero waste is all about. We don't
5 care whether it comes down to a law. The idea is to get
6 everyone involved to go beyond requiring local governments
7 to be the only one that's on the hook, to have everyone
8 buy in, not necessarily forcing them -- some of these
9 voluntary initiatives are going great guns. But you need
10 to have a real effort to focus on that and that's what
11 zero waste was meant to be about.
12 BOARD MEMBER JONES: I think that I was lucky
13 enough to be one of the speakers at CRRA when this zero
14 waste platform was unveiled. And I think much to a lot of
15 their surprise, I endorsed the zero waste scheme, but the
16 discussion that I'm hearing talks about -- is talking
17 about the residual material that we're leaving at a curb
18 or in a business or something like that and how do we
19 reduce it, how do we recycle it.
20 Zero waste, if you go back and look at Gary's
21 slides, talks about efficiencies. It talks about people
22 getting smarter about the way they do their job. It talks
23 about a change in how we manage our companies and our
24 lives, not so much how we recycle that waste stream as how
25 do we start generating less by being smarter. And the

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1 bottom line recipient of that is the stakeholder that ends
2 up having more value for his company because the
3 management tools have been put in place, minimize waste,
4 minimize mistakes and they take an ethic. It takes a work
5 ethic that needs to be developed.
6 So while I think that the idea of zero waste in a
7 discussion makes an awful lot of sense to me, I think it
8 goes to the heart of sustainability, which is really a
9 change in culture. It's a change in how you do your job.
10 It's a change in what you think is important and how does
11 that affect all of the resources around us every day that
12 we take for granted. And I think that's an important goal
13 and I think that's something we have to strive for.
14 I don't want us to lose site of the fact that
15 everything is cyclical. We had a generation, many
16 generations, in front of us that recycled an awful lot of
17 the waste stream, probably 85 percent of the waste stream,
18 until we demanded as consumers or for different health
19 reasons or whatever, changes in packaging, changes in
20 manufacturing products, changes in what we wanted, what we
21 expected, and went from what was acceptable living
22 conditions to better living conditions. And as a process,
23 we ended up generating a lot more waste.
24 And to get back to those days when we were
25 looking at packaging and looking at products very

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1 differently, they were made out of a lot different
2 products than we deal with today, we're on the right
3 track. It may bother people that we look for numbers, but
4 I don't know any other way to indicate somebody's
5 performance without looking at a number.
6 I know that when you run a business you look at a
7 number. Did I make the payroll? Did I make my
8 projections? Did I end up paying the bills and make a
9 profit? Did I lose? Where did I lose?
10 The same thing is true in this process. I don't
11 think there's a board member that I'm serving with today
12 or that I've served with in the past that was wed to the
13 idea of numbers. They almost become a necessity to try to
14 keep the playing field level. They become a necessity
15 when you see people come in at minus 175 percent diversion
16 or, you know, minus 170 percent. How do you make a
17 determination there that they, in fact, have done good
18 faith. I don't know how you do that.
19 So I agree with a lot of the things that you're
20 saying. And we're going to have a lot of debate at the
21 Board. I would just -- I believe in partnerships. I've
22 worked with an awful lot of cities in my career. The one
23 thing that the audit talks about when they talk about
24 capacity, and I'll bring it up because a couple of you
25 have, and that we should be looking and maybe we should

have a moratorium for five years.

Look at what the deregulation of the energy has meant in the State of California. And then understand the time it takes to permit anything in this field and tell me that we're going to waste five years and then kick the process forward that may take another eight. And then come up with the funding source and how we're going to be able to move local garbage that didn't get recovered to another facility.

You read the beginning of AB 939. There was a piece that you missed that said that they will do these things at the discretion of the local government, okay. That's a piece that's in that same section. It doesn't say at the discretion of the Waste Board. It doesn't say at the discretion of Waste Board Members. It says at the discretion of local government.

And that's something that has been absent from our discussions with the audit or in response to the audit that I have every intention of bringing forward next week at the Board meeting, because that's a very important piece.

You know, I think we need to realize that while it is nice to be able to say let's restrict capacity, there isn't a whole lot of capacity other than the megatons that are attributed to two landfills in southern

California that aren't even built yet. I mean when you look at the capacity that's been cited in the audit, two of those 1.6 billion tons of capacity, 1.1 billion is attributed to two sites that haven't been developed.

So, you know, we've got to keep our -- well, I guess we don't have to do anything, do we.

(Laughter.)

BOARD MEMBER JONES: It would be nice if when we talk about zero waste, we talk about the changes it's going to take in the way that people do business every day.

It's nice when we talk about, you know, the indicators for AB 939 compliance that the rules stay consistent. And I think it's important to stay consistent. The local governments have a whole lot more at stake for their citizens than -- I mean that's where the charges is. We outline oversight responsibility. The local governments, obviously, are the ones that have to deal with their citizens every day.

So thanks.

CHAIRPERSON MOULTON-PATTERSON: I just want to thank you so much. I've taken so many notes. I'm so glad we have a court reporter here, because I know several of our board members couldn't be here for real important reasons, but it's been so helpful to me. And I'm

1 particularly interested in the ideas and I'd like to work
2 with you all on incentives.
3 I know that's one thing that really struck me
4 when I first came onto the Board. You know, it seemed
5 like there was a lot of stick, but, you know, we really
6 want to find -- and that had to be in this first ten
7 years, but you know find ways that we can develop
8 incentives would really be important to me.
9 And then also I had a question for Rick on
10 attracting more of the environmental community to our
11 meetings and, you know, with a preface of how important
12 local government certainly is to me, coming from local
13 government, and also the waste industry. But it does seem
14 that we don't have enough input from, I don't know, local
15 community members or environmentalists. I don't know how
16 we go about that.
17 When I was on the Coastal Commission, we
18 certainly had them there. You know, local government,
19 Huntington Beach we had our environmental activists that
20 came out. I don't know what -- do you have any
21 suggestions on how we get different perspectives?
22 MR. BEST: I don't have, you know, a lot of
23 answers here today for you. You know I certainly think us
24 doing more to kind of educate folks and let folks know,
25 you know, as things come up, but partly, I think, it's the

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1 Board kind of expand a little bit its horizons in terms
2 of, you know, a lot of the things that the Board looks at
3 are very specific local government policy, you know, local
4 government programs, or, you know, permits, that kind of
5 thing.
6 I think maybe if the Board was able to expand
7 some of the scopes it was looking at. The role of
8 recycling in, I know for example you have an item on the
9 Board coming up, the role of recycling in the energy
10 crisis or the role of recycling in forestry or the role of
11 recycling in mining reclamation projects.
12 You know, I think if the Board did a little bit
13 more to kind of expand, and maybe the Board doesn't
14 necessarily do specific policy things, but at least get
15 that discussion going, I think it might attract some folks
16 who are interested in those issues suddenly realize hey,
17 you know, maybe I should be over at the Board trying to
18 push them to do some of these things.
19 I think there's a lot of things that the Board
20 could be doing to kind of link up recycling with these
21 other really big environmental issues to get a lot of
22 attention.
23 MR. LISS: If I could respond also. Board Member
24 Paparian and I talked a few days ago about this very
25 issue. And some of the suggestions I made was number one

the biggest problem was access, travel. So the key to solving that is E-mail. Your electronic tools, web site, E-mail list serves. Set up your list serves on specific topics, like waste prevention, C&D, organics, composting whatever, have discussion groups. Add those list services to your electronic communications, and E-mail regularly your agendas.

So to anyone who wants to be on your list getting your agendas, highlighted by E-mail to people who request, that could be of inordinate help in increasing communications. Whether they show up at your meetings may be another story, but you may hear from them that way and I think you should.

There is --

BOARD MEMBER PAPARIAN: Is that not done?

MS. HUNTER: Can I sign up for a list serve to get board agendas?

BOARD MEMBER PAPARIAN: Somehow I thought the agendas were sent out on E-mail.

INTERIM EXECUTIVE DIRECTOR BRUCE: They are.

BOARD MEMBER PAPARIAN: They're posted.

MR. LISS: They're posted.

BOARD MEMBER PAPARIAN: But they're not automatically, I got it.

MR. LISS: List serves are very different than

1 web sites. You've got a wonderful web site. I really
2 love it. I use it all the time in my research, but you
3 have to go there. And that's a different mechanism than
4 list serves.
5 MS. HUNTER: A notification process would be a
6 cool idea.
7 CHAIRPERSON MOULTON-PATTERSON: One thing I might
8 point out too. This year, we have five meetings, even
9 though it's a little more expensive, that are going to be
10 in different areas throughout the State, you know, so
11 we're trying to go to local areas.
12 BOARD MEMBER PAPARIAN: One of the things that we
13 haven't had a chance to talk about, one of the things that
14 I've been trying to lay the groundwork for and hopefully
15 push in the near future, would be to actually broadcast
16 our meetings on the Internet so that people can hear them.
17 And then the longer-term goal having some sort of
18 two-way communication around the State, at least at a
19 minimum to have a one-way communication.
20 MS. HUNTER: You know, if I may, I might just
21 comment about broadcasting the Waste Board meetings.
22 First of all, it would allow folks way outside of
23 Sacramento to come. But for those of us that want to
24 attend board meetings for particular items and have to
25 figure out, I mean, we have underground mechanisms which

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1 we get paged and beeped and all sorts of stuff to figure
2 out when to come in, that would be really helpful.
3 But there are a lot of items that I'm interested
4 in, but I'm in the office working or I'm over at the
5 Capitol and I can't come. And I know there are a lot of
6 local government folks who would be interested. And if
7 you could look into the list serve thing, that would be
8 great.
9 And not just your agendas, I would think posting
10 of regulations and permit stuff background items on agenda
11 pieces.
12 BOARD MEMBER PAPARIAN: That is done.
13 MS. HUNTER: It's posted, but --
14 MR. LISS: Notifying by E-mail --
15 MS. HUNTER: For example, the League --
16 MR. LISS: -- with a link to the URL.
17 MS. HUNTER: The League puts out -- every Friday
18 we post on our web site a priority focus legislative
19 bulletin. We have it set up so that people can be
20 notified through a list serve, pops up, there's something
21 there. And the Secretary of State does that, you can get
22 notified if there's action on legislation, pops up, and
23 you go to it and you look at it.
24 And they include the URL in those posts, so you
25 just click on that URL, you get to that site and then you

can add that to your favorites group and then get there again in the future. So those are the twists that really help in an immense way.

That's the way we're organizing the whole zero waste movement globally. We don't get together that much.

MS. HUNTER: So you're part of the problem for the energy crisis.

(Laughter.)

MR. LISS: Exactly. We have increased traffic on electrons. Conference calls with key leaders of environmental groups, conference calls is another huge way your staff could have for any given topic could convene groups of people around the state by conference call. We used that with CRRA when I was executive director for six years there and it was the only way on a small budget we got total input on lots of different perspectives with key leaders on any given topic.

News letters, posting your messages into newsletters, like CRRA, NCRA, Business Environmental Network. There's all sorts of newsletters out there that the waste -- along the lines of what Rick was saying, that if you want to get the message out there, there are existing journals, newsletters to do that. And sending out -- if you do these list serves, to cross link with other list serves like Green Yes and Recycling Envirolink

1 and other things like that, you'll get your message
2 amplified.
3 Tours, you could organize tours when you're going
4 and rotating round the state, organize tours that you go
5 and see some of the sites while you're there, but invite
6 the public in on those tours and meet with local community
7 people who would also like to see those things on tours.
8 Active participation in support of conference has
9 been a big issue in the past of how much the Board should
10 support CRC, SWANA, League of Cities, CRRA, all the
11 interest groups. You should. You should be out there.
12 You should be supporting them. The fact they're doing
13 your business of organizing the community network out
14 there, you need to be more supportive, provide the funds,
15 provide the support, and be more active in attending and
16 participating in sponsoring those conferences.
17 And workshops, you've done a lot of good
18 workshops. There's an infinite number of workshops
19 topics. I'm firmly convinced having organized over 45 for
20 CRRA in six years. It's just more narrower and narrower
21 topics on very selective things and bring in new people
22 every time. And that you can do things. So if you want
23 to get more people involved, those are some ideas.
24 CHAIRPERSON MOULTON-PATTERSON: Thank you. And I
25 don't want to forget about our speakers, Bruce Goddard,

public. And then if anyone else wants to fill out a speaker's slip, fill free. Alameda County Waste Management Authority.

MS. HUNTER: He's going to work on my indigestion.

MR. GODDARD: Madam Chair and members of the Board, thank you for this opportunity to chat with you. My taking Kent Stoddard's place you only have to change a couple of the letters here. My name is Bruce Goddard and I'm the Public Affairs Director of the Alameda County Waste Management Authority.

The authority is a Joint Powers Agreement comprised of 17 public agencies in Alameda county, primarily cities, and also includes the Alameda County Recycling Board, which was created by voters in Alameda County. The subject today is change. And paradigm shifts are clearly happening from the landfill capacity model to the environmental sustainability model.

And as you move through that paradigm change and as we look at the future, I think it's important to keep in mind that there are some things that are going on that are good and that we should continue. And I want to make five points today about things that we should keep on doing.

Number one, and foremost, is that we should keep

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on keeping on. We should recognize that the AB 939 program has been a huge success in California. Byron Sher, who's environmental imprint on California is perhaps without equal, has said that 939 is maybe the most effective environmental program that he's ever been involved with. And I think that we should take energy for the future from that as we approach a 40 percent diversion rate statewide in the midst of one of the greatest economic boom periods in our country's history in the largest State in the union, that is quite an accomplishment. And we should be energized for the future by what we've been able to do thus far.

In Alameda County, we've quadrupled our recycling rate during the nineties. We've embarked on a course. It's too late to turn back now. As Van Morrison reminds us in the song, "into the mystic, it is too late to turn back now." So we should build on that success.

Secondly, we should keep on helping local government. The point has been made here many times today the people who are on the hook here are local governments under the State law. And local governments need technical assistance. They need program support. They need best practices information.

And we recognize, at some level, that accounting means accountability. And we know that there is a link

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1 between those two. But I also think that the balance has
2 become somewhat skewed, and that we need more emphasis on
3 programs and less emphasis on numbers. And that's not to
4 say that we don't need the numbers, accounting and
5 accountability are related, but I think in recent years
6 that balance has gotten a little out of whack and needs to
7 be adjusted.
8 I'd also urge you to keep on innovating, whether
9 that be identification and getting of key waste streams,
10 expanding of your loan and grant programs, expanding of
11 market development efforts or expanding the linkages to
12 other environmental programs. Again and again today,
13 we've talked about the energy crisis, something that no
14 one was talking about a year ago, now is a major focus of
15 our discussion. And there will be other linkages in the
16 future as well.
17 The energy crisis reminds us that our resources
18 are finite, that they need to be conserved and not wasted.
19 And there is the nexus and there will be other nexuses as
20 well, and we should keep an innovative edge to all of
21 this.
22 I also urge you to keep on educating. Last June,
23 I had the opportunity to speak at the R-2000 conference in
24 Toronto. And this was a gathering of scientists and
25 academicians from all over the world on the issue of

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1 sustainability. And I was there to present two television
2 commercials that we had done in the Bay Area for the Save
3 Money In The Environment 2 campaign, a campaign that is
4 partially funded by this Board.
5 And we were there humbly to present two little
6 television commercials, 60 seconds worth of information.
7 And I reminded the people there in the room, as
8 distinguished a body as they were, that it was not them
9 who are ultimately going to determine sustainability and
10 the future of our plan. It was the average person on the
11 street who was going to make decisions that had great
12 impacts, and that it was our responsibility to provide
13 information and to provide materials and public education
14 materials.
15 Wesley Chesbro your former colleague and now a
16 State Senator, of course, appears in one of our latest
17 videos, Taking Back Our Trash 2, in which he makes the
18 point that people have incorporated the ethic of recycling
19 and waste prevention into their lifestyles in ways that we
20 couldn't have imagined decades ago. That needs to
21 continue. It needs to expand.
22 Ultimately, these decisions that determine the
23 future of our planet will be made by people who have never
24 heard of the Alameda County Waste Management Authority and
25 in many cases have never heard of the California

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Integrated Waste Management Board. And yet it's our responsibility to provide the public education that they need.

Finally, and this is where Yvonne's indigestion comes in, I urge you to keep setting high goals. The fact that we're not going to achieve a 50 percent diversion rate illustrates to me why it's very important to set the goal too high and not make it. It's more important to set the goal too high and not make it, than it is to set it too low and make it.

We need to keep having targets to shoot at there, whether that be to shoot at, whether that means zero waste, whether that means the 75 percent goal that was adopted by Alameda County voters and embraced by each of our 14 cities.

We need to keep that bar very, very high. And I know in some cases that can create indigestion and we need to work at how fast and incrementally we do that. But I would urge you to keep a very high standard out there as a target to shoot at.

That is basically what we were mandated by our local voters to be doing and we look forward to working with you as we sort through these issues together over the course of the next decade.

Thank you.

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1 CHAIRPERSON MOULTON-PATTERSON: Thank you, Bruce.
2 Anyone else?
3 DEPUTY DIRECTOR NAUMAN: We're right on schedule.
4 So next is our lunch break. We are scheduled to reconvene
5 here at 1:15, and we'll have the next panel and then some
6 additional discussion and the final open comment period.
7 Thank you all for your participation this
8 morning.
9 (Thereupon a lunch recess was taken.)
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AFTERNOON SESSION

DEPUTY DIRECTOR NAUMAN: Welcome back. I think we had a very productive, interesting and thought provoking morning. We're all looking forward to more of the same this afternoon.

So I will introduce the panelists and then we'll try to follow the same approach that we did this morning. And after the panelists we'll have discussion. I think we have a break scheduled for a little bit later after the discussion and some comment. So they are not sitting necessarily in the order of the agenda, but I'll go ahead and follow the agenda this time.

Paul Relis is with us. Paul is seated in the middle here. He's the executive vice president of CR&R and a distinguished former member of the Integrated Waste Management Board.

Doug Kobold is a solid waste planner with the Waste Management and Recycling Divisions of the County of Sacramento. He will be representing local government.

Jim Hemminger, Program Director -- you'll have to help me with the acronym here, I don't remember it, ESJPA And we know it as the SJPA.

MR. HEMMINGER: Right. It's the Rural Counties Environmental Joint Powers Authority.

DEPUTY DIRECTOR NAUMAN: And Jim is going to be

representing local government on the rural side.

Paul Yoder is a legislative advocate for the Solid Waste Association of Northern America. I know that one. And Paul is representing industry.

And finally Todd Bedrosian, a senior legislative representative from the Sierra Club representing the environmental perspective.

So who would like to lead off?

Paul, do you want to go ahead and lead off?

MR. RELIS: Well, thank you, Board Members for inviting me up and I'm looking forward to a chance of sharing with you. I've been off the Board for three years and I've been in the private sector and have some insights, I think, that I've gained from that experience.

I'd also like to thank the previous panelists. I agree with a lot that's been said here today. I have a few different takes, but let me start.

First, I think it's always important to acknowledge what has been accomplished. And I think the massive collection and processing infrastructure that has been put in place in the last decade is a remarkable achievement. I think that processing infrastructure could virtually handle most of what's generated in California today.

I mean, in other words, that did not exist a

1 decade ago, 11 years ago. And that's a result of the
2 efforts of AB 939 directly. It wouldn't have happened
3 without that. I want to acknowledge the specific building
4 of an organics industry which has taken huge steps from
5 the early years when I was on the Board. That was
6 something like one and a half to two million tons
7 capacity. And now, I understand, according to the more
8 recent reports from the Board, around seven million.
9 That wasn't created solely by the Board, but it
10 was certainly helped driven by the Board's work. The
11 project found changes in, I think, the global paper
12 industry, the ability to take grades and amounts of fiber
13 that were viewed as literally impossible maybe a decade
14 ago are now taken for granted.
15 And the technology to improve the ability to
16 handle lower grades of paper is directly a result of the
17 availability of this, and, of course, minimum content.
18 I think we've also proven, I'd like to see it
19 more so in southern California, but that the public will
20 participate in programs and pay for them. I think that
21 was an untested assumption of AB 939, and I think largely
22 it's been borne out. I think better in northern
23 California than in southern California in terms of
24 willingness to pay.
25 In some areas, however, we've seen little or no

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1 progress. And I would say markets for some commodities
2 like plastics have gone nowhere virtually. In spite of
3 all our efforts, in spite of all the money, in spite of
4 the loan and zone programs, et cetera, et cetera, I think
5 it's a stagnant or reversing situation. The waste
6 prevention side of things remains underdeveloped. It
7 still doesn't have the buzz, the buy-in, the focus that I
8 think it truly needs. And as a State, the sixth largest
9 economy in the world, it's something that, I think, needs
10 a great deal of attention by the Board.
11 Landfill pricing, particularly in southern
12 California, retards the development of new technologies,
13 new processing and diversion capabilities simply too cheap
14 still to dispose.
15 The IWM framework, I think, is stagnant. We're
16 focusing now more on counting, you've heard that many
17 times, and not enough on new directions and programs to
18 keep this effort vital.
19 Meanwhile, new concerns and forces are impacting
20 the whole field of solid waste materials management.
21 And by the way, I'd like to take a side step for
22 a moment and say that I still hope that some day this
23 Board will be renamed a more integrated and materials
24 management board, because I think this whole identity with
25 waste is in a big changing -- it's a changing field and

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1 the materials side of it needs more attention from a
2 public education, public promotion standpoint.
3 You have to change business cards and probably
4 get some legislation to alter that, but I'm all in favor
5 of changing the title slightly.
6 Population growth is resulting in greater
7 congestion on streets and highways, and the growth is
8 unabated and that has big impacts on our whole field.
9 Waste disposal and recycling are transportation intensive
10 industries. And like Kent Stoddard said this morning, I
11 believe the energy side of things, the transportation side
12 as what we're experiencing for those companies that work
13 in southern California with the AQMD rule 1193, is as
14 significant to our industry as AB 939.
15 Having to buy whole new fleets of vehicles with
16 alternative power and new fueling stations in a very
17 limited marketplace, the rule was passed barely a year ago
18 and we're supposed to be implementing it July 1st. If you
19 think the ten year period for AB 939 was demanding, one
20 year is unbelievable.
21 So I would like to see the Board pay more
22 attention to the interface with the transportation sector
23 because those rules have unilaterally come down and what
24 bearing do they have on what we're trying to accomplish
25 here.

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The public, in general, because of the growth of the State and the intensification of the density and more and more land-use conflicts, noise, dust odor, waste management is not a clean industry in that sense, whether it's recycling or whether it's running MERFs in transfer stations, they're noisy, they're polluting in their own way.

And that infrastructure, which is the lynch pin of 939 for the diversion side is, I think, not to be taken for granted. I've said it when I was a Board Member. I feel it more so now having been in the private sector that we face upgrades that are very, very significant. Our company put in a biofilter that was hundreds of thousands of dollars on -- well, it's not experimental but odor control technology.

Well, we don't have a cost structure that anticipates, I think, the kind of investment that MERFs, transfer stations and others will have to invest to be compatible with urban living standards as we move ahead and density becomes more and more pronounced.

I guess out of all this, I would make a couple of recommendations. We need to move out of the janitorial phase of waste management, that is, you know, we're janitors and we're just cleaning up after everybody. That's where I get to the materials management side, the

technology side.

We need to invest in the future of this industry in the way that -- like, when you site a wastewater treatment plant, and that's the analogy I'd like to use, you know, they have buffers, they can finance substantial improvements that our industry and our margins cannot in the present framework and yet we have to.

I think that's inevitable. I think that all your regulatory efforts at the Board will drive in that direction. So rather than just do it piecemeal, start to envision the kinds of changes at MERFs, transfer stations and so forth. I call that industrial ecology. We're going to have different designs, better architecture, better processing systems, better odor control measures. All that is expensive.

The Board, I think, needs to develop more of a cross media approach. We understand that the AQMD may get involved now in composting air control. Well, what's the interplay between the Waste Board and the AQMD? What's the interplay between the mandates that are being played out here? Is there communication going on? That's one of the high expectations of Cal EPA and the ability to create interactive cross media environmental regulations.

So we have air. We have land. We have global warming dimension. We have nuisance and odor and other

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1 issues. All that is cross media related.
2 Regarding the future of organics. Well, I heard
3 remarks earlier about wanting to cut down the green
4 materials going into landfills. And in your position, I
5 would solidly be in favor of that. I would remind the
6 Board or encourage the Board to think that this is a very
7 regional issue.
8 In southern California, in our part of southern
9 California, the capacity for processing organics is going
10 down not up. We've watched operators go out of business.
11 The transportation distances are horrendous. We've got
12 real issues. If you want to move away from ADC, we have
13 to have a better delivery of organic processing
14 facilities. Otherwise, it's a losing proposition.
15 So somehow that issue has to be addressed if
16 there's going to be greater organics recycling. And with
17 40 percent of the solid waste stream being organics, how
18 can you avoid the arithmetic on that one.
19 Increased procurement. I felt that procurement
20 is at least as important at this stage as programs. It is
21 a program. It needs to be viewed as a program as strong
22 as the three-can and commingled system. It's the driver.
23 It's the marketplace. So we can't talk about market
24 development without procurement. And there needs to be
25 more done in that area.

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I want to close and just say that I'm very pleased that the Board is supporting what will be an in-depth discussion on conversion technology, because as you know, some of you know, I've felt that that is one of the important future directions for waste management materials management in California.

The energy situation in the State just underscores the opportunity there, but it won't be a free opportunity. It will cost. But it all begins initially with understanding and discussions about what it is, what are the capabilities. And I'm very happy that you're going to be having this work session on conversion technology I think in a couple of months, May 2nd.

So that's basically what I have to say. And, again, thanks for inviting me up here.

MR. KOBOLD: Good afternoon. I'm Doug Kobold from Sacramento County, representing the 37 counties not represented by RCRC and Mr. Hemminger here.

(Laughter.)

MR. KOBOLD: Since I appear to be the one who's wet behind the ears here compared to all my colleagues who have years of experience, I'd like to then give just a quick overview of who I am, since most of the people here don't know who I am.

For six years, I worked with Yolo County as a

1 design engineer and operations manager working closely
2 with the bioreactor project in the initial design of the
3 project and construction of it to the day-to-day
4 operations of that landfill, 500-ton per day landfill. I
5 spent the next two and a half years with Mr. Evan Edgar at
6 Edgar and Associates getting a statewide perspective on
7 the variety of types of facilities out there from hauling
8 to disposal to composting, MERFing, the whole gamut.
9 I feel very privileged to be able to have all
10 that experience. And I'm currently now the solid waste
11 planner for Sacramento County dealing with the reporting
12 side, giving the Waste Board the numbers.
13 I received the opportunity to join this panel in
14 late January and put together, as quickly as I could, a
15 questionnaire for the stakeholders that I represent.
16 Unfortunately, with the time constraints, I only got about
17 nine responses including our own. And I've compiled them
18 in a report that has been put before you.
19 So if I can direct your attention to that report.
20 I was surprised to some degree at some of the responses
21 but then again not for others. I appreciate all of the
22 responses I did get from the counties. They felt it
23 important to get their voice in, and I agree with them. I
24 think it is an excellent opportunity for local government
25 to get a voice in on what the Waste Board is going to deal

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with in the next three to five years.

I've taken the responses and summed them into this report. I've highlighted six major issues. There are certainly a lot more in there than what I've done here. But I took the more common issues and broadened them a little bit.

One of the first ones is the AB 939 compliance and equity. Basically, the general view is that it's not always equitable across the Board. It depends on your location, your location to the market. Some of these jurisdictions can't afford to run the recycling programs due to their rule nature. And I'm sure Mr. Hemminger will have to agree with that, with a lot of the counties he represents.

Another issue was the disposal reporting system, and its inaccuracies. I'm glad to see that the Waste Board is going to be looking at this in the very near future. As a matter of fact, I'm a working group member for the disposal reporting. I look forward to be able to participate in that.

Some of the significant issues there is the survey frequency. Many of my respondents stated they would like to see the State mandate daily surveys to tighten up the origins of this tonnage to get away from the whole jurisdiction problems that are inherent in that

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1 type of system and also to deal with the large capital
2 improvement projects that can span multi-jurisdictional
3 agencies or also the State's own projects.
4 Disposal capacity, you've heard about disposal
5 capacity a lot today on a statewide basis. The
6 respondents had the general consensus that we shouldn't be
7 looking at capping capacity, that the potential rises from
8 capping capacity, shortening the competition out there,
9 allowing for higher costs for disposal for specific
10 groups, especially your independent haulers and operators.
11 So that was a concern.
12 The permitting process. They feel that the
13 permitting process needs to be more streamlined,
14 especially when it comes to the siting and planning of
15 facilities. I know the Auditor's Report stated that the
16 Waste Board should take a higher role in the siting of
17 this. Local government does not agree. We feel we need
18 the opportunity to control this issue of it to allow for
19 compatible land uses, compatible uses with our general
20 plans, our permitting documents themselves, all of our
21 documents for planning. So that's a big issue that they'd
22 like to see the Waste Board actually step back from to
23 some degree and allow us to have more control over that.
24 Recycled materials market development. And
25 you've heard that a lot today. The market development

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1 definitely needs to be strengthened. There are a lot of
2 products out there that have a good market value, but then
3 there's a lot that still produce that don't, so that would
4 certainly be helpful for the Waste Board to be involved on
5 a heavier basis to increase the market development.
6 Finally, new waste streams. You've heard about
7 computers, plastics, other electronics. That is also an
8 issue of my stakeholder group that the Waste Board could
9 help to develop better recycling programs or aid in the
10 development of better recycling programs for these types
11 of materials.
12 Because of the broad spectrum of strategies that
13 my stakeholder group responded to, I felt it better rather
14 than trying to consolidate them, I listed them here
15 instead.
16 Starting on page two, I have the actual comments
17 for issues from each of my stakeholders so that -- and
18 then if you have any more desire to look more closely at
19 them, they're in the appendix, the last appendix C,
20 every -- I have included every respondent's comments as
21 they came to me.
22 On page three is the strategies. And the
23 strategies, I felt, there were a lot of good ones in
24 there, and I didn't actually want to hamper their intent
25 by consolidating them or summarizing them. That's the

1 extent of my presentation.
2 Thank you.
3 DEPUTY DIRECTOR NAUMAN: Jim.
4 MR. HEMMINGER: Thank you. My name is Jim
5 Hemminger and I'm from the Environmental Services JPA.
6 I'm representing 21 rural counties throughout the State.
7 I'm here today to present some of the so-called rural
8 perspectives on solid waste management issues and to
9 identify some specific strategies that we think would be
10 helpful to the rural counties in meeting the objectives
11 and the goals that most people have expressed here.
12 And I would like to really express my
13 appreciation and the appreciation of the 21 counties for
14 being invited to give a presentation here and given the
15 opportunity to really be a part of a policy development
16 process.
17 Too often, and rural counties in particular but
18 other stakeholders also, don't get themselves involved in
19 the process. And how many times have you seen one of our
20 counties show up at the Board meeting after the regs have
21 been adopted, after the policy has been approved and say
22 that it shouldn't apply to them.
23 You may agree, but it's too late. And this type
24 of process today, I think, is real helpful to give the
25 stakeholders the opportunity to input at the earliest

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1 stages of policy development. And it really does put a
2 burden on many of us to be creative and to take the
3 responsibility to try to come forward with some
4 suggestions that are realistic.
5 And I did do my homework. It was suggested as a
6 panel member that we review Cal EPA's strategic vision,
7 the 21st Century Policy Project and other things. I did
8 that. And the one thing that was surprising was coming to
9 the conclusion that most of the, they're called, core
10 values, goals, visions in the various documents related to
11 environmental quality and preservation of natural
12 resources are, in fact, similar goals to, I believe, what
13 is present in most rural counties. And with this
14 commonality of goals, someone would suggest that rural
15 counties should have embraced AB 939 legislation, that
16 they should have celebrated Subtitle D regulations and
17 endorsed all the recommendations in the State Auditor's
18 report.
19 But that's not the case. In fact, quite the
20 opposite is true. And with common goals, common visions
21 is that the case? And that's something we talked about
22 with some of the rural counties and thought about myself.
23 I think it does get down to the purpose of what
24 this session is about today. It's not a divergence of
25 goals, but it is about strategies and the methodologies

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that are required to get to those goals.

Not surprisingly most of the policies, strategies, monitoring requirements, compliance requirements are developed for the areas in the State where most of the waste is being generated. It couldn't and shouldn't be any other way.

But those don't necessarily fit within the rural counties. And, in fact, sometimes trying to follow the rules actually diverts attention from the common goal we were trying to achieve.

I was talking to Doug on the break, it was interesting comparing landfill statistics and how many tons per day do you do. Well, Sacramento does about the same number of tons per day to Keifer, right now, Sacramento County, as if we took all the rural counties together and put them together, the annual daily tonnage is about the same.

And then I said, well, let's take that garbage from Sacramento, spread it out over 30 percent of California, especially the mountains and the areas that are difficult to access and go pull out 50 percent of the waste. It's a tremendous task.

But I do think that rural counties have done an admirable job of trying to implement and achieve AB 939. It has been due, admittedly so, to the threat of fines to

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1 a little bit of enforcement actions. That's real, and I
2 think it really served its necessary purpose and has moved
3 some counties forward who may not have moved forward
4 otherwise.
5 But right now on average, rural counties are
6 right around 38, 40 percent in their waste diversion
7 calculations, and most of them are pretty proud of that.
8 I would like to put forward, if I could, what I
9 came up with as three -- specifically detailed about three
10 particular issues to put forward, mention a few other
11 issues and then also pass on some information as requested
12 by some of the rural county board of supervisors.
13 The first issue is something everyone has talked
14 about, programs not numbers. And I really think -- I
15 acknowledge, at some point, I think numerical
16 quantification was necessary to really get people focused
17 to have a basis for compliance and enforcement actions.
18 Counties to a large extent have moved forward.
19 So in actually talking to Steve before, it's actually
20 really interesting, my experience with the Waste Board is
21 the Waste Board, generally speaking, hasn't been overly
22 focused on numbers. When we've done biennial reviews and
23 when folks have come before the Waste Board with a
24 compliance order, it hasn't been overly focused on
25 numbers.

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1 So why are we all talking about it? Why do we
2 keep talking about it? And I think my perspective ties
3 into a little bit with Mr. Davis' definition from this
4 morning is that we're all optimists, that it could get
5 worse.
6 (Laughter.)
7 MR. HEMMINGER: And the State Audit Report, the
8 five-years of new generations, that potential is there.
9 It's always there. And I've argued a little passionately
10 about this at different Waste Board meetings. But
11 particularly for rural counties it would be destructive if
12 we are forced to come up with more intensified accounting,
13 spend more time doing more plans, it really would, not as
14 a threat, but as a reality with the resources of the rural
15 counties, would slow down their progress in moving forward
16 with programs.
17 Again, not so much with program implementation,
18 many counties, most counties, have implemented programs,
19 but what's key now is the program effectiveness. And at
20 the risk of doing a dumb analogy, I'd say a little pickup
21 truck, you can drive from here to there. It may take you
22 awhile but you're going to get there. But if you have to
23 stop every mile, check where you're at, reporting where
24 you are before you can go to the next mile, you're not --
25 it's going to take you a long time to get there.

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I don't have any brilliant suggestions. I know there's workshops in how we're going to determine AB 939 compliance without more accurate number counting, but that is something that is a real concern to rural counties.

The second issue I wanted to highlight, and Mr. Relis mentioned too, the ten percent limit, which was been in place in AB 939. Regarding the words keep changing, I don't know if it's biomass, transformation or some type of conversion process. This has been issued for rural counties ever since the Act passed. And it may be controversial to some extent, because of air quality implications, but there's yard waste, forest debris, major waste stream in rural counties.

And the way the laws and regulations are written now, they're focusing on composting of one sort or another of these materials. And you can get ten percent credit, if you will, for biomass conversion.

What this means to some extent, is I'm penalized with my yard waste forest debris, if I do bring it to a cogeneration facility, it doesn't count towards my diversion.

Calaveras County, after the Old Vaults Fire in 1992, major fire, tremendous focus on yard waste clearing cleanup. And we set up a whole perilous system for yard waste collection separate from the solid waste, not out of

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1 AB 939, but because all the yard waste clearing swamped
2 the solid waste system. We tried and did the right thing
3 to pay to haul waste materials over to Lodi.
4 But after awhile a lot of the compost market, and
5 our pine needles actually weren't very attractive for the
6 composting operation, he said we couldn't pay him enough
7 to accept the yard waste materials we were bringing him
8 for composting.
9 And I'm not really familiar with this working
10 session, but it sounds like this would be an opportunity
11 more to allow rural counties to take this yard waste
12 material forest debris, put it into the biomass conversion
13 facilities, many of which right now are lack of feed stock
14 to operate at full capacity and not to encourage this form
15 of waste diversion and at least to remove restrictions
16 which are a disincentive.
17 My third issue to talk about is dealing with
18 recommendations, small unlined rural landfills, which are
19 either trickling, kept open to avoid closure or inactive,
20 but aren't being closed. It's a real issue. It goes
21 without saying that those counties -- or those landfills
22 don't exist in the counties because the rural counties
23 somehow like garbage sitting there in an unlined landfill
24 that is improperly capped and closed.
25 It is a money issue. And I did appreciate the

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1 recommendation in the Bureau of State Audit Report that
2 consideration be given to provide some type of funding to
3 assist rural counties in this regard. I do want to
4 mention these unlined landfills, things have changed so
5 much in solid waste. It doesn't seem that long ago, back
6 when I had my tie-die T-shirt and celebrating Earth Day
7 the first time.
8 But I realized when I took a job in Calaveras
9 County, while I was doing that. The county was still
10 moving along real fine with little open air burn dumps for
11 all its garbage. Not that long ago. And counties, rural
12 counties in particular, were the last ones to put their
13 burn dumps away, were through State regulation, required
14 to build landfills. And they built landfills and they
15 built them in accordance with all the technology and
16 standards of their time.
17 It was very expensive, but they did so. And
18 they've operated them. Some of these aren't much more
19 than, I don't know, 20 years old or so. But now the rules
20 have changed and awareness is -- people are aware of some
21 of the impacts that we weren't aware of back then.
22 So these landfills do need to be closed, but it's
23 very expensive. Even the smallest landfill, you're
24 talking a million dollars for closure for a few-acre site.
25 And if you throw on a few corrective action requirements

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1 and the Water Board has a condition of closure, you're
2 talking several million.
3 When you're a county of 30,000, 40,000, 50,000
4 people, even if you could tax everybody, that money isn't
5 there and the counties can't come up with it quickly.
6 So I would like to suggest a strategy that would
7 make either grants or low-interest, no-interest loans
8 available.
9 The Facility Loan Compliance Program, which we
10 just dealt with, I thought was a very good model. And I
11 think some of the Board Members may have been frustrated
12 by rural counties pestering them and arguing at the Board
13 meetings why they should have gotten the money instead of
14 this person.
15 And I would just take that as an indication of
16 the fact that many rural counties are there ready and
17 anxious to move forward with corrective actions and
18 closures and are willing to come all the way to Sacramento
19 and fight for a small pot of money in order to have the
20 resources to do so.
21 So if there was within the next one- to
22 three-time period, we're looking at some mechanism where
23 the financial support can be there. I'm sure rural
24 counties would do their part to move forward with the
25 closures.

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A couple other issues I did want to mention, not to go on at length about. Grant funding is very helpful to the rural counties whether it be for household hazardous waste days, tire cleanups, it's very important to rural counties. The rural counties appreciate it.

Market development, that's the top word for everyone. Again, I'll say particularly for rurals, it becomes more important. There's a glut of material on the market, which actually is small volume recyclers. It makes it that much harder to find somebody who even wants to mess with small quantities of recyclable materials.

There are regional rural efforts for rural cooperation. We want to move forward with those. But even with the best efforts there, markets do need to improve.

Rural counties lacking resources. It would be amazing, I think, at how much the diversion would increase if there was some market stability of the goods. I know when the scrap metal markets were high, that was one of the few things that we were making money on. You never saw a hunk of scrap metal going by into the landfill because we had a bin that we could put the scrap metal in. And naturally we're making $2,000 a month or something on the scrap metal. And it was a resource and it was being easily diverted without any regulatory incentives.

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I'll mention, again, to ensure rural counties, my stakeholders, streamline the permitting process, coordinate with other regulatory agencies. I was a little jealous that I was as clever as Kent Stoddard with his regulatory squeeze thing. I really would like to have brought one of those from a rural county perspective and may steal that for a future presentation.

But the biggest trick too for rurals is it's a moving target. Garbage more than any other industry, the rules keep changing. The laws pass and by the time the regulations catch up with it we've got new laws that need new regulations. And just to recognize the challenges associated there.

As an engineer, I've worked on wastewater treatment plants. I've worked on roads design. Boy those are simple. The technology, the methods, the specs have been in place for years. And, you know what to do. You work on a landfill design, by the time you finished your design and putting it in the permit process, you do have a whole new set of rules. So garbage is pretty exciting.

(Laughter.)

MR. HEMMINGER: I'm sure my time is up, but I would like to mention just as a follow-up to some discussion this morning about more involvement in the Waste Board meeting, because I do think, as Linda

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1 acknowledged, with the environmental community or the
2 stakeholders, sometimes it's surprising the seriousness of
3 an issue that's being discussed by the people there to
4 speak about it. They're the ones to be impacted.
5 A lot of things that do need to be done, a lot of
6 good suggestions this morning. I don't know if it's
7 possible, but the one thing, and it seems simple, maybe
8 it's not, that would really help rural counties be able to
9 come to board meetings would be some type of idea of when
10 items would be heard.
11 I know it's probably an issue that's been
12 discussed. I've got a Lassen County compliance order and
13 I want to come down. It's a three-day board meeting. And
14 the Board and staff have been real helpful, if you have a
15 particular issue, to kind of try to let you know what they
16 think is going to happen.
17 CHAIRPERSON MOULTON-PATTERSON: Would it help if
18 we had at least certain items on one day? I know on the
19 Coastal Commission they would have like a Tuesday,
20 Wednesday and Thursday agenda. And you did those until
21 you were finished whether it was 10:00 at night or
22 whatever, I don't know.
23 MR. HEMMINGER: Something like that would be
24 helpful. If somebody is driving down, can I get them down
25 here for a day? But, again, I certainly understand the

1 challenges of it, but if it were workable --

2 CHAIRPERSON MOULTON-PATTERSON: We do want to

3 make it friendlier.

4 MR. HEMMINGER: -- that would help. Again, it's

5 not complaining, but if it could be done, it could be

6 helpful.

7 Those pretty much are the issues. I did want to,

8 as I was directed to, from the supervisors and a lot of

9 our member counties, are considering in adopting

10 resolutions pretty much in response to the Bureau of State

11 Auditor's Report. I don't need to go through all the

12 whereases, and therefores.

13 This won't be in time for March 1st distribution

14 to the Bureau of State Audits. But I would like -- and

15 this is geared a lot -- some of the recommendations in the

16 audit report of course require legislative changes. The

17 Board of Supervisor's, the locally elected officials,

18 really feel their voice can be best heard in the

19 Legislature.

20 Basically, what the resolution does is recommend

21 composition to statutory changes with government

22 authority. They opposed new policies which would require

23 automatic denial of any permit issuance for facilities

24 that may be in violation of many minimum standards.

25 I talked a little bit with Heidi, who suggested

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that what about if the permit is reissued with the compliance order requirement attached. And I suggested that's certainly reasonable. That's how the Waste Board handles things -- or Water Board, I'm sorry. We've got a water quality problem. Your waste discharge requirements are due. They don't close down the facility or deny the permit, but they do issue a new waste discharge requirement with a corrective plan as a condition of the continued operation.

If there's an immediate problem, they tell you to clean it up before you get the permit. But if there is a problem that does require a certain degree of time, to study, analyze and correct, they will allow the continued operations as long as progress is being made.

BOARD MEMBER PAPARIAN: A little bit more aggressive with their fines.

MR. HEMMINGER: More aggressive with the fines, nasty in the tone of their letters, inaccessible at the Board meetings -- sorry.

(Laughter.)

MR. HEMMINGER: I just briefly too -- we're worried about trickle landfills. And if there are funds to help closure, let's not just limit those to inactive sites. The Water Board does acknowledge that subtitle -- no subtitle landfills can continue to accept waste, as

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1 long as it's a vertical expansion. But there's a lot of
2 that landfill that does need a closure cap cover.
3 There may be a reason for that rural landfill to
4 continue operating in parts of the facility, but moving
5 forward with closure of the three-quarters that's inactive
6 could be a real benefit to some. And there's a request
7 for State funding to assist rural jurisdictions to comply
8 with that section.
9 So, hopefully, I didn't ramble. Hopefully, there
10 were a few positive suggestions here. And, again, I
11 really thank the Waste Board for the opportunity to speak.
12 CHAIRPERSON MOULTON-PATTERSON: Thank you, Jim.
13 DEPUTY DIRECTOR NAUMAN: Paul, do you want to go?
14 MR. YODER: Sure, I'll go. I can't crack my
15 SWANA-the-caboose-of-the-solid-waste-industry joke.
16 (Laughter.)
17 MR. YODER: I'll go next to last. If it sounds
18 like my axe is grinding a little too loudly, just
19 everybody start humming the Battle Hymn of the Republic
20 and I'll wrap it up.
21 SWANA really was honored to be included as part
22 of the discussion today. I want to thank you for that,
23 all of you who made that possible. It's tempting to sit
24 here for 15 minutes to say the word markets over and over
25 and over and over again. And I've got to tell you, I

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1 really do, in a way, sort of, sympathize with the Board.
2 And in a way, sort of, feel sorry with the Board
3 sometimes, because I think you'd rather -- I think this
4 Board, particularly, would rather be doing more market
5 development related activities.
6 I don't think this Board particularly enjoys -- I
7 mean given a choice, I don't think that this Board would
8 choose having to dispatch with the more regulatory type
9 matters over creating markets, creating a thriving
10 recycling infrastructure in California. I do want to open
11 my comments by saying that SWANA honest to goodness stands
12 ready to join the Board in going to the Administration,
13 going to the Legislature to lobby for really a change in
14 direction for the Waste Board.
15 I mean, I want to echo what Paul said about
16 changing the name of the Waste Board. I know he didn't
17 mean to just limit it to that. I think the mission of the
18 Waste Board needs to be changed. It's the year 2000, and
19 really things ought to be approached in a very different
20 light. And should the Board try to change its own
21 mission, SWANA may be willing to join in that effort and
22 assist the Board in anyway possible, so I'll extend that
23 invitation.
24 I think everybody knows that SWANA really is
25 composed of solid waste managers in the public sector for

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1 people who advise locally elected officials. And my first
2 comment would be that it was great at the end of the day
3 to be included in this discussion. I think local
4 government, and by that I mean all of local government,
5 really needs to be included in, at least, invited to every
6 major policy discussion at the earliest stages.
7 I think there's a tendency to worry that more
8 people bogs the process down. But I want to suggest to
9 everybody here today that SWANA members, CRRA members,
10 other folks in the industry are advising the policymakers
11 locally. And solid waste is an area where, frankly, in my
12 experience, a lot of locally elected officials defer to
13 staff. And I represent locally elected officials wearing
14 several other hats.
15 And I have to tell you, I just think it's
16 important, it's very important, for the Board to get local
17 government's buy-in -- local government staff to buy-in
18 early on in the process, as early on in every process as
19 possible, really, so you have advocates locally in board
20 rooms and council chambers rather than, frankly,
21 saboteurs.
22 And I just want to throw that out to the Board
23 and make that suggestion. It does feel sometimes like on
24 this side of the dais that sometimes that local government
25 is sort of focused on disproportionately. I want to

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1 suggest that other State agencies, for example, deserve
2 greater attention. And I was pleased to hear at the Board
3 briefing yesterday, Board Member Paparian talking
4 procurement at various State agencies.
5 I mean, it's absolutely -- you ought to beat them
6 up. And I'm just going to say that. You ought to beat
7 them up. You need to use your positions individually and
8 collectively as sort of a bully pulpit and beat up other
9 agencies, and get more aggressive.
10 Similarly, you need to beat up the manufacturers.
11 I've had side-bar conversations with certain board members
12 who have said, half jokingly, but also seriously, the
13 Board needs, sort of, a Department of Embarrassing
14 Industry, because it's ridiculous.
15 (Laughter.)
16 MR. YODER: I have two young children and if I
17 had a dollar for every pound of waste that surrounds the
18 toys, the plastic toys that they're going to dribble off
19 the floor the minute they come out of the package, you
20 know, I'd be a millionaire.
21 It's obscene. And I don't know what we all can
22 do about it, but we all need to do something more about
23 that.
24 Lastly, the public, I don't think we beat up the
25 public enough. And advertising, for example, is a very

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1 cheap buy. I want to suggest to everybody here that if
2 the public in California can be convinced to smoke less,
3 they could probably be convinced to recycle more. And so
4 I think we need to look at some ideas as to how to do
5 that.
6 Lastly, on sort of the local government
7 perspective of the relationship with the Board, one
8 example I'm going to give you is that there's a recent
9 trend lately where local administrators are asked to sign
10 off on the reports under penalty of perjury.
11 At the same time, for awhile, we've tried to
12 raise the issue of the accuracy or lack thereof of hauler
13 data. And I think one strategic move the Board could make
14 would be to really explore and espouse to haulers
15 state-of-the-art technological equipment that really does
16 sort of solve or largely solve issues related to where did
17 waste come from, and how much waste came from where.
18 And in that regard, we might be able to somehow
19 get at the accurate attribution of solid waste amongst
20 jurisdictions, which, you know, will be the end of LA
21 County, for one. I mean, we need to try to tackle that.
22 Moving on to the area of research and
23 development. SWANA also wants to thank the Board for
24 electing to have the forum in May. And every SWANA member
25 I'm aware of is really looking forward to that forum. I

1 think the Board could, as part of a rechanged charge,
2 could do more in terms of research and development, in
3 exploring new ideas. And, again, connecting with the rest
4 of the bureaucracy and the rest of the Legislature and the
5 public and what have you.
6 Next, I'd like to suggest that we all, and I
7 really am not just directing this at the Board. The more
8 I thought about it the last several days, these are
9 comments directed at the entire industry. We all need a
10 quantity and a quality strategy, simultaneous quantity and
11 quality strategy.
12 On quantity, we've got to get more specific about
13 how are we going to address the largest elements of the
14 waste stream, paper, organics, inerts, what have you. We
15 need goals and controls is a phrase that I'm aware of.
16 You can use any management seminar verbiage you
17 want, but we need guidelines. We need timelines. We need
18 clear objectives. And I mean we, we need to say we're
19 going to try to do X by six months. And if we don't do
20 it, we need to sit back down and we need to ask ourselves,
21 okay, why didn't we achieve X? Who's going to be in
22 charge of this element of getting us the X next time? We
23 need to do that and we can do that as an industry and the
24 Board together.
25 Far and away, again, on markets, local

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1 governments have been asked to give a 50 percent
2 diversion. And the State has got to hold itself
3 accountable, somehow, for some type of improved percentage
4 of markets for recyclables. We're in this together.
5 Absolutely, the most strategic use of CIWMB's
6 time, energy and money would be to create a truly viable
7 market for recyclables. I think that's the last time I'll
8 say that during this presentation, lest people start
9 humming.
10 In terms of quality, I just want to restate for
11 the folks who don't know it, SWANA supported the increased
12 surcharge on tires. SWANA would support the imposition of
13 a surcharge on paint to incentivize its recycling rate.
14 SWANA is basically a tax and spend organization. I'm
15 kidding.
16 (Laughter.)
17 MR. YODER: But seriously, I think a lot of
18 people don't know. They're usually surprised to find out
19 that SWANA has always conceptually supported an advance
20 disposal fee. Bring it on. Get a bill introduced. We'll
21 support that bill. SWANA would support surcharges on
22 other materials to increase their recycling rates.
23 Because it is important that we all move in
24 concert to arrest some of the most potentially harmful
25 elements of the waste stream. So again, quantity and

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quality.

Next, we need to make some lemonade when we have opportunities. The current energy crisis absolutely presents a unique opportunity to explore options to use methane as a fuel source for distributed generation. Distributed generation is the wave of the future, one megawatt, ten megawatt, 40 megawatt plants are going to pop up all over California. I know that, because I represent a company that wants to build them and is building them and is inking deals as we speak.

And they can run these plants on wind, solar, natural gas, propane, methane, the methane has to be converted, obviously, but you name it. And we need -- the landfill gas question has been a contentious question for the Board. And we need to try to, again, make something positive out of this, take the problem and try to make it into a solution.

Let's see, I'm sure you're all pleased that I gave you yet another copy of the study. That's not just because I still have lots of copies in my office.

(Laughter.)

MR. YODER: It's in the hopes that someone -- people will read all the way through it some day.

(Laughter.)

MR. YODER: Board members, there is really good

1 stuff in that study. And let me tell you the number one
2 thing about that study, shocker, after surveying 110 or
3 112 jurisdictions, is that the money cities and counties
4 spend on diversion programs didn't necessarily equate to
5 diversion, increased diversion.
6 In fact, there was little or no correlation found
7 after serving one-fifth of the jurisdictions in
8 California. Let's be honest, in the metropolitan areas,
9 where most of the garbage is, excuse me, the resources
10 are, cities and counties are pretty much doing the same
11 thing.
12 I mean, that's my impression. I don't know if
13 people disagree with it, but the major cities, the largest
14 cities in California, for example, are by and large doing
15 the same thing. If SWANA had it to do all over again, I
16 don't know, maybe they would have sacrificed a little
17 local control in exchange for, I don't know, about
18 prescriptive standards, but I do know if 939 had been a
19 more real mandate, local government shall implement
20 programs A through H, in retrospect, maybe it wouldn't
21 have been so bad. We could have filed an SB 90 claim. We
22 could have gotten reimbursed for the costs that weren't
23 covered.
24 (Laughter.)
25 MR. YODER: I'm totally serious. If we had it to

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1 do all over again, maybe that's a tradeoff we would have
2 made.
3 What we do know is that, again, folks are pretty
4 much by and large doing the same thing. The major
5 metropolitan areas, their diversion rates are essentially
6 the same. And it really is a waste of time and energy and
7 resources to compute diversion to one-hundredth of a
8 percent. We need to get beyond that. We need to move on.
9 There are a couple little other odds and ends. I
10 won't mention them all. I do -- I'll mention two. One,
11 the Board's web site is fantastic. It's one of the best.
12 It's one of best web sites in my opinion on the Internet,
13 not just in the State bureaucracy or bureaucracy in
14 general. It still has a little ways to go as far as, you
15 know, Jim's folks being able to just pop into a virtual
16 world and check and see with a couple mouse clicks exactly
17 what other jurisdictions are doing.
18 I think, you know, there needs to be a real
19 exhaustive cataloguing of what people are doing, the
20 diversion they get, the bang for their buck, what have
21 you. But that's one thing where Board staff, especially,
22 just they get gold stars for the work they've done on the
23 web site. That's the good news.
24 The bad news is the Class 2 problem continues to
25 haunt certain local jurisdictions I would argue unduly.

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And I think we all need to figure out a solution to that, because it is hindering some jurisdiction's abilities, really, to think clearly on the issue of what do they do next, vis-a-vis 939. They can't get past the wrong that they think has been done to them and we need to try and address that and move forward.

Last, but not least. This is sort of ending on a sour note, but I have to do my job.

(Board Member Jones whistles the Battle Hymn of the Republic.)

(Laughter.)

MR. YODER: Yeah. You read the last paragraph, Steve.

Let's talk about the city and county of San Francisco. Let's talk about what it costs to go from 43 percent to 50 percent. What I've read is $130 million. Anybody know otherwise?

I mean, I'm just going off the newspapers, $130 million to implement the new organics food waste program. Rates are basically anywhere from $12 to $18. We could talk about the increase in real dollar terms. It's only six more dollars a month. We could talk about people internalizing the costs of waste. We could talk about a lot of things. And I don't know that I would argue differently on those points or others, but SWANA feels

compelled to continue to remind folks that government has scarce resources.

One hundred and thirty million bucks is 130 million bucks. And 130 million bucks could be used to clean the water, clean the air, and even step outside of the environmental realm and be used for things such as providing health care to the indigent, what have you.

It really is a zero -- to a certain extent, local government land, it really is a zero sum game. And I don't want to conclude by saying San Francisco shouldn't get to 50 percent. San Francisco should get to 50 percent. They must or they will be fined.

But I am saying that we just need to all stay cognizant of the fact that there's a cost associated with increased recycling. Hopefully, that cost will go down, but it's there, it's real and we need to just acknowledge that.

Thank you, Board Members.

CHAIRPERSON MOULTON-PATTERSON: Thank you, Paul.

MR. BEDROSIAN: I feel like a cleanup batter here.

(Laughter.)

MR. BEDROSIAN: Well, my name is Todd Bedrosian. I'm a legislative representative for the Sierra Club in Sacramento. And I know my role here is primarily being a

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rational critic of the industry. And I'll try to fill that as much as possible. But I have to say in sitting here and listening to the gentlemen at the table here and some of the practical problems that they face with waste disposal, it almost seems insurmountable.

But having said that, I have to say that the Sierra Club still is in agreement with many of the fundamental criticisms that the Auditor's Report came up with saying that the Board wasn't tough enough on the industry, perhaps we were permitting landfills that really weren't needed. It was more political expediency or political parochialism.

And I agree with the tenor of the document, I think, implicitly at least. It says that the Board needs more legislative power to address some of the very difficult problems that you're faced with. And I think that even though the industry has some very difficult complex problems, I agree with many of the things Mr. Yoder said, that I think the current energy crisis that we're in the midst of is just a precursor of maybe other crises that the State is going to face. And certainly waste disposal is not going to be exempt from that.

I think the challenge for the Board is to be proactive in addressing these challenges. I think many of the things that the people in the industry have mentioned,

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1 the technology that's available, California it is
2 difficult, but just by imperative -- but just by the shear
3 crush of the population of this State and the complexity
4 of the problems that we support, California is almost
5 always forced into a leadership role nationally.
6 And I think that the Board should think of
7 themselves in a leadership role nationally in that
8 perspective, that you'll be leading the way and you'll be
9 showing other states how to address problems, maybe out of
10 necessity, maybe out of almost a negative imperative. But
11 that's going to be the reality. But just as the energy
12 crisis today, I think you're going to see some creative
13 responses to the energy crisis.
14 I think that there's a possibility for creative
15 responses to the waste disposal, what I think will be a
16 pending crisis here again, because of the crush of the
17 population in this State and the inability of the State to
18 keep up with some of its waste stream.
19 I think you're just starting now, from an
20 environmental perspective, we're just now starting to see
21 what we think are some positive, proactive responses to
22 the energy crisis. The State is finally, we hope, going
23 to become serious about alternative energy sources, have a
24 healthier mix of energy resources in the State of
25 California. And we hope that maybe this is an analogous

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1 response that is a current situation that maybe you as
2 Board Members can look at and plug in some of the
3 responses to the energy situation and say, well, maybe
4 that's something we should be looking towards with waste
5 disposal.
6 And here, again, I don't want to co-op too much
7 of what Mr. Yoder said, but I thought that he had some
8 good ideas. And that's what -- I can prove that I
9 actually thought of these things too. I have them written
10 down here.
11 (Laughter.)
12 MR. YODER: I'm going to lose my client if this
13 goes on.
14 (Laughter.)
15 MR. BEDROSIAN: But I think saying markets too
16 often, I'll pick up the ball and say again and again is
17 that -- and from our perspective, I think the
18 environmental community has consistently talked about
19 development of markets. And I think the Board here,
20 again, in a leadership role, Mr. Yoder touched on that,
21 you need to back in to the industry. You need to
22 demonstrate to the industry how packaging can be made more
23 environmentally friendly.
24 He's absolutely right, my kids get the same kind
25 of Christmas presents. And at the end of the morning, it

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1 looks like a battlefield of waste. And, you know, so that
2 certainly isn't the fault of the industry. You can't lay
3 all the problems and all the blame at the industry. So I
4 think the Board here, again, is -- there's a role for the
5 Board to play in public education.
6 We have seen some dramatic changes in public
7 perception. You can change the world. Smoking is a great
8 example. I think you can do the same thing with consumer
9 recycling. And we're not starting from square zero.
10 There's been plenty of efforts in this area. And I think
11 that the Board should ask for legislation to give it more
12 powers to, just as already has been alluded to, to go to
13 other State agencies and have more of a hammer, not only
14 on the industry, the landfill industry, but also on the
15 packaging industry, other State agencies to come up with
16 solutions for the waste stream that's overwhelming us.
17 The tire situation is certainly a great concern
18 to the environmental community. And all I could ask is
19 for you just to come up with some magical solution for
20 that. I think that the Board can go a long ways towards
21 being a modulated factor between the public's desire for a
22 cleaner environment and the reality that the industry has
23 to face every day. And I would encourage the Board to
24 come up with formulas for giving incentives to landfills
25 that come up with good management plans and more recycling

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in their formula.

And there again, I don't want to use the word punish, but I think it more of a positive thing to encourage industry people who seem more willing to work with the Board to provide more recycling, more creating of markets, cleaner operations, things of this sort. I know that it's probably not real popular from the local government perspective, but I think if you talk to the industry people that perhaps regional approaches are good.

If you have a good company that is doing a very good job of recycling, a good landfill operation is state of the art using good technology that protects the environment, perhaps a regional, more regional landfills of that sort are a positive thing. Landfills, just as, here again, Mr. Yoder mentioned, methane can be a source of energy, and we have to look creatively to landfills.

I think we've got to change the way society thinks about the quote, unquote "garbage" that's put into landfills. I think the Board has a role to play in change as sort of inverse consumers and to talk about how landfills maybe are not just garbage heaps and liabilities but maybe they can be gold mines. Maybe there's a lot of things in there that could be dredged back up and recycled and reworked into society.

That's certainly a large chunk to bite off. I

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1 mean, since the beginning of time, I guess, since man's
2 beginning of time, we've always wanted just to eliminate
3 and get rid of what we don't use and cast it aside. Well,
4 here, again, California can be in a leadership position
5 may be to turn that perception around and think of ways to
6 change that.
7 I say that with the idea that maybe it isn't
8 something that isn't attainable, because we have, just as
9 the energy crisis, I think, is going to show us things, we
10 have technology that we can achieve things in energy that
11 we didn't think were possible. Well, maybe we can do the
12 same thing with landfills and waste disposal, except you
13 may have the luxury of not being in a crisis mode or as
14 much of a crisis mode.
15 So now it occurs to the Board to be proactive
16 rather than reactive to maybe a crisis down the road and
17 plan for these types of progressive moves.
18 I think that I'll conclude just by summarizing,
19 just saying that we do agree, even though we realize that
20 perhaps it seems unfair on the face of it, we agree with
21 some of the criticisms in the Auditor's Report of the
22 industry and the Board. And that we think that just by
23 the imperatives of the crush of the waste stream that we'd
24 like to see the Board be tougher on the industry and
25 encourage them to be more progressive in the way they

handle the waste stream.

Thank you very much for this opportunity to address you.

CHAIRPERSON MOULTON-PATTERSON: Thank you.

DEPUTY DIRECTOR NAUMAN: Thank you to the panelists. We have about 30 minutes for discussion, questions.

BOARD MEMBER JONES: I have to kind of compose myself, because I want to ask Mr. Yoder a question and I've got to be nice about it.

(Laughter.)

BOARD MEMBER PAPARIAN: Jim, you sparked my interest. I know you were talking about markets and I started thinking about some of the most interesting kind of niche recyclers that I've seen or in rural counties.

And, at the same time, from what I know from some other work that I've done in terms of economic development in rural counties, and you correct me if I'm wrong about this, but it has tended to be geared towards -- at least, locally generated economic development efforts have been geared towards tourism and extraction industries.

MR. HEMMINGER: It's interesting. Rural counties, when we look at the Recycling Market Development Zones when that came out, I was working with Calaveras County. And it was extremely exciting because that was

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1 actually, to some extent, a wonderful opportunity for
2 rural counties who were looking for businesses to move
3 forward.
4 Rural counties, generally speaking, haven't been
5 able to have taken advantage of that opportunity. I'm not
6 clever enough to say why. There certainly are, as you
7 say, niche industries, a pretty small volume, certainly
8 nothing which is going to show up on a diversion
9 worksheet, with stories of clever uses of different
10 materials which otherwise would be waste materials.
11 I'd have to talk more, research more, but I would
12 have to agree that the rural counties haven't been
13 successful in establishing, but there are exceptions with
14 overall locally based waste reuse programs.
15 BOARD MEMBER PAPARIAN: Yeah. I think it would
16 be an interesting area to explore whether it would be
17 something we could do to partner with some of the economic
18 development folks.
19 MR. HEMMINGER: Maybe we could parlay this into
20 something else. And that may be some of the things we,
21 again, should look for, because we are unfortunately
22 really being driven a lot by 50 percent by regulation.
23 And I know myself as a county employee that wasn't,
24 frankly, where the focus was. And, hopefully, now that
25 we've achieved programs or got some things in place that

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is something -- I would concur with you that it's certainly a feasible option that hasn't been fully developed and should be explored.

CHAIRPERSON MOULTON-PATTERSON: Paul, I just wanted to ask you, you know, your thoughts. You mentioned us being more involved at the local Air Board and everything. Do you have any strategies for that, because as I understand it, sometimes it's hard for the State Board to, you know --

MR. RELIS: Well, AQMD, of course, is its own universe. But it's hard to conceive at this point in time, with some of the regulatory mistakes that have been made, you know -- in recent times, I mean, we've had experience of deregulation with the MTBE issue.

I mean we really have to connect with the other entities and make sure there's both knowledge and checks and balances on regulatory decisions. For instance, I put my name on the list of people to comment on the compost involvement on facilities.

If, for instance, AQMD -- or not -- yes, AQMD were to say require all composting facilities to be in just southern California, forget it, it's over. The economics will not enable any construction or operation of a facility. So there you go on your diversion objective. The ballgame is over.

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1 So I don't think you'd have a choice but to
2 involve yourself in some way and invite yourselves into
3 the party. I mean in the worst case you'd just testify as
4 an uninvited party. But I mean the stakes are too high on
5 something like that to just allow it to go on.
6 We don't, of course, know today what their
7 approach will be, but I've heard concerns like well, maybe
8 they want to put capture all ammonia. Well, you know,
9 that is a concern to our company. I'm sure it is to
10 everyone. It should be to every city, and certainly of
11 all things the Waste Board.
12 The diesel decision was a remarkable one. I sat
13 in on the hearing. And not that the desire and the need
14 to reduce the particulate and the toxic constituents of
15 diesel, I mean, everybody with half a brain has to agree
16 that we've got to deal with the air quality concern.
17 If you're a company or a city or a county and
18 you're investing in the face of trucks and equipment that
19 are sort of three-quarters there, some are -- it's a real
20 concern. You know a one-year timeframe could go from a
21 nonalternative fuel source to one source fuel provider
22 with two or three engine types and $40,000 in additional
23 costs per engine.
24 We want to make sure that that works. We want to
25 make sure that there's no discovery down the road that's

1 going to say well, natural gas isn't as clean as we
2 thought. It was, you know, and invest yet again.
3 I don't know what the answer is on that. I mean,
4 we're going to comply, everyone in the, Kent Stoddard
5 mentioned earlier that this -- as I said, I agree this is
6 a huge decision. The Board is not part, from a regulatory
7 perspective, of that decision. But it has a huge bearing
8 on how we operate.
9 And in that sense, at least you have to track it,
10 I think, and discuss amongst yourselves what fallout any
11 of these decisions might have on the goals and objectives
12 of the Waste Board.
13 CHAIRPERSON MOULTON-PATTERSON: Thank you.
14 BOARD MEMBER JONES: I think, to follow-up on
15 that, I think, too, while you're talking that the
16 availability of those engines in the buying cycle in the
17 next two years is going to be pretty amazing, because
18 usually, I know that there's already an order for 200
19 engines. I don't know what their run is. But it's going
20 to change the way that operators are going to be
21 processing material, because if you've got a compliant
22 engine, you're going to end up double shifting and triple
23 shifting that vehicle, because you can't afford to go out
24 and buy the types of recycling trucks that you would like
25 to buy to augment your fleet, if you can't get engines.

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1 So it's going to have some pretty big impacts on
2 the processing cycle. I hadn't really thought about it
3 until you just said that.
4 CHAIRPERSON MOULTON-PATTERSON: Thank you.
5 BOARD MEMBER JONES: Paul, just a couple of quick
6 questions on the San Francisco issue. I was in Monterey
7 at the SWANA management deal that they asked me to go to.
8 And the issue came up in San Francisco, you know, or about
9 San Francisco. But San Francisco isn't a member of SWANA.
10 MR. YODER: I don't know if they're members. Off
11 the top of my head, I don't know if there are people that
12 work in San Francisco -- the city and county of San
13 Francisco are SWANA members.
14 BOARD MEMBER JONES: I don't know.
15 MR. YODER: I think there are actually one or
16 two.
17 BOARD MEMBER JONES: Because when you look at it,
18 and I'm not defending my old company. But I've had the --
19 you and I have had this discussion and I have had this
20 discussion with others. I don't know that it is as much
21 to go from 43 percent diversion to 50 percent diversion,
22 as much as it is a program that the citizens and the
23 decision makers want to implement.
24 And at this management conference that we had
25 down in Monterey, they started off the second day, and

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they said tell us about the one nightmare that you always wake up in the middle of the night thinking about.

So people were going through the room and we had had some interesting issues in Merced County and somebody talked about their nightmares and others talked about other nightmares. And then somebody started talking about counting and adding programs and spending this kind of money and did a pretty good job on illustrating his nightmare.

And I said my nightmare as a regulator was how do we make those providers of service understand that it's what their residents want that's important. And SWANA has a tough road ahead because your clients are the City of Long Beach which is responsible for all the collection in the City of Long Beach as a government service, the City of San Diego and plenty of others up and down the State and plenty of others all throughout the United States, so that when they look at an issue as a manager of that facility or that Department, they look at what's the impact to their budget, what's it going to cost them to provide this and where is it going to divert funds from to go into other areas?

And, you know, we were talking about zero waste earlier today and we're talking about those kinds of things. And it is kind of funny because I look at -- and

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1 I've asked the question to people that are in San
2 Francisco and said -- that are running this thing, and I
3 said are the people for this? Do they -- and the people
4 are for it, but the businesses are for it. The businesses
5 want to see it happen.
6 That's an absolute progression of the mission of
7 AB 939. You know, we went from low hanging fruit.
8 There's a reason why, when Mr. Relis was on the Board, why
9 we said we are going to focus now on C&D and organic waste
10 streams and things like that. For the first seven years
11 of the bill, people focused on the easy hanging fruit.
12 And everybody did a curbside program, everybody did this,
13 everybody did that, but you know paper only weighs so
14 much. It's not real heavy and it doesn't get you 50
15 percent.
16 And that's where the numbers thing comes in. But
17 that's where you got people involved. People had to make
18 changes in the way they lived.
19 So to go from 12 to 18 and whatever their numbers
20 are, is a big percentage jump. Eighteen, though, is
21 probably the lowest rate in the Bay Area.
22 BOARD MEMBER PAPARIAN: What does that County of
23 Sacramento charge?
24 MR. KOBOLD: I'm sorry?
25 BOARD MEMBER PAPARIAN: What does the County of

Sacramento charge?

MR. KOBOLD: Our 60 gallon can, we base it on our three can size. We have 38, 60 and 90 gallon cans. Our mid range is 19.55 a month.

BOARD MEMBER JONES: That's right, because it's all relative.

MR. YODER: You have to put a question mark at the end.

BOARD MEMBER JONES: That's with green waste and with recycling?

MR. KOBOLD: Yeah. Basically, what we do is we leave it up to the resident to decide what size can they want for their commingled and their green waste. And also we can add additional cans at no cost for the green waste and commingled recycling.

BOARD MEMBER JONES: So it's 18 bucks, 19 bucks. And I always laugh about San Francisco, because when we did the curbside program, we lost six million bucks the first year in a test, cash money out of the bank, okay to make sure it was going to work.

And you, know, so 18 bucks is relative. But I can see where a lot of your members would be upset, not upset but question the investment to go from 43 to 70 -- from 43 to 50 percent.

But I think the way to really frame that is the

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1 people in the city of San Francisco want added services,
2 because of all of the things that we do environmentally,
3 and everyone of these Board Members have said this in
4 public forums and in speeches, I've heard them, citizens
5 can participate in curbside recycling. They can't
6 necessarily participate in air. They can't necessarily
7 participate in water.
8 They can in this, and I think it's a tribute to
9 programs when we see people going after a waste stream
10 that there isn't anybody in this room 12 years ago would
11 have been thinking about doing a food waste composting
12 program on a citywide basis. I'll guarantee you, I mean
13 I'll empty my wallet, if any of you guys can honestly show
14 me that you were thinking about it.
15 Those weren't the thoughts people were having.
16 But for us to progress there, gets us to zero. I mean
17 those are the first kinds of steps that get us to this
18 quote unquote "zero waste" It's the management of the
19 resources.
20 And what's going to end up coming out of that is
21 going to be a rich product that is going to have some
22 incredible advantages for certain types of growing. I
23 mean, I think it's awesome. But I had to call you on it,
24 because, you know, to me I'm looking at that rate, that's
25 a pretty low rate, you know.

(Laughter.)

BOARD MEMBER JONES: But everything is relative.

MR. YODER: Can I answer your question?

BOARD MEMBER JONES: Sure.

(Laughter.)

MR. YODER: Just two. I think you get this. I think everybody else here appreciated the spirit in which the remark was made. But just to be clear, really the point I was trying to make is things don't occur in a vacuum. In local government finance, they don't occur in a vacuum.

I live in the City of Sacramento. I get a utility bill every month. Things go up. It's broken down into -- you know, we all get the same bill almost. It's broken into so many categories and the elements inch upward perpetually. And I don't think anybody really knows what the public's threshold is.

And so it is sort of a zero sum game, because you have the same boards and councils voting to raise all the various and sundry rates. And so $6 on solid waste gets added to $6 for storm water clean up, for all I know in San Francisco. I don't know.

But maybe there's a threshold there for the public, maybe there's not. I know that my PG&E bill last month made me think there's a threshold that I wanted to

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pay for certain things.

Secondly, I just want to throw out sort of the absurdum antithesis example. You know if San Francisco were at 49 percent, what would the consensus be as to what -- I mean, we all want to lower the cost of recycling, but what would the consensus in this room be in terms of how much money would be okay for them to spend to get that last percentage point? Another $130 million, $230 million, $330 million? I don't know.

Until we have all lowered the cost of recycling dramatically, questions like that are going to start popping up. And so that's just the issues SWANA is trying to raise.

I'm not saying it's a bad idea. I'm just saying it's a costly idea right now.

BOARD MEMBER JONES: Understood. I don't have a problem.

DEPUTY DIRECTOR NAUMAN: Okay. I think we're probably due for a break. I'd like to give our court reporter the opportunity to take a break, so why don't we take ten minutes. So let's just reconvene at 3:00 o'clock with wrapup and open comment remarks.

(Thereupon a brief recess was taken.)

CHAIRPERSON MOULTON-PATTERSON: We'd like to get started. We'd like to hear them. We'll start with Alan

Clarke.

Hello, and good afternoon.

MR. CLARKE: Don't inadvertently move somebody's notes here.

Thank you very much, Madam Chair and members of the Board. I'm Alan Clarke. I'm privileged to be here today on behalf of the California Resource Recovery Association. Many of the previous speakers on your panels have alluded to our organization. I am the new Executive Director for CRRA. Our firm has been fortunate, was retained in November of this year -- or last year excuse me to represent CRRA. We have a bit of the background with the Board. We did your recycled products trade show last April and in fact look forward to working with you on this year's show in April of this year.

You may have received some correspondence from Liz Setrino our President. I hope you had a chance to take a look at some short correspondence. I kind of urge you to take a look at our web site. And, in fact, I'll follow up with some correspondence, our agenda for the new millennium, which I think you'll find very interesting reading.

Also, a slight commercial announcement for CRRA and that being that I hope to see you all in Pasadena July 8th through 11th. I think the Chair talked about the ways

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that local government and the environmental community can work together and interchange. One positive way I think would be at our conference. We encourage you to attend plus your staff and the staff of the Board to attend in July.

CHAIRPERSON MOULTON-PATTERSON: We really enjoyed last year's and thank you very much. And we appreciate you coming up and introducing yourself.

MR. CLARKE: I look forward to working with you on some other issues in the future.

CHAIRPERSON MOULTON-PATTERSON: Thank you, Alan.

Paul Ryan.

MR. RYAN: Honorable Chairman and Board members, I'm Paul Ryan. I represent the California Refuse Removal Council and also the Inland Empire Disposal Association.

I wanted to make three comments, if I might. The first is in response to Linda Moulton-Patternson's inquiry of air quality issues to Paul Relis.

Maybe you are or are not aware that not only are there air issues occurring in South Coast, but if you look at what's happening with your sister agency, the Air Resources Board, they're under a similar series of circumstances you are, in terms of where you received an audit, they received a Ledge Analyst's report similar to that.

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1 And they're in the process of doing a strategic
2 plan as well. Hopefully, the Integrated Waste Board and
3 staff are participating in that planning process, because
4 it has significance to this Board and the industry and the
5 cities and counties in the fact that, as the diesel risk
6 reduction plan goes forward, it not only affects the trash
7 trucks and the collection and the processing system, but
8 that rule or series of rules in measures are going to
9 affect everything that we do including off-road vehicles
10 at the landfills and other sites, stationary sources, as
11 well as mobile equipment.
12 Anything that runs on diesel is going to be
13 subjected to the new air toxic contaminant control
14 measures. So hopefully we all work together in watching
15 these rules, because one of the unfortunate things that's
16 happened with South Coast, they jumped the gun on the
17 rule-make process and so they disadvantaged many of the
18 stakeholders at the Integrated Waste Board by creating a
19 situation where people that are trying to do recycling in
20 South Coast are at a disadvantage because they're going to
21 have to expend funds for fleet conversions, which are
22 going to cost to take away from the profitability of
23 recycling and so forth. So there's a trade-off there.
24 In the discussions that I presented both at South
25 Coast and at ARB, I suggested, and consistent with the

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1 Ledge Analysts's report, that all of the measures should
2 be enacted at the same time throughout the state, so we
3 make it a zero sum game or keep it neutral, so that then
4 there's this elimination of competitive issues. And
5 certainly I would hope that the Board and the staff
6 participate in this process with ARB.
7 Further, I think it's important for the Board to
8 watch what's happening in the air districts and the Air
9 Board in regard to landfill gas issues and power
10 generation. Certainly, the Air Board and the air
11 districts have a great deal to say about how regulation
12 occurs.
13 And if you look at rule 1150.1 in South Coast,
14 which regulates methane from landfills, you'll see that
15 their regulations probably far exceed what the Integrated
16 Waste Board is doing. And so it becomes a very important
17 issue to make sure that the coordination occurs.
18 The next point I'd like to make in terms of, as
19 you develop the strategic plan, I think the vision and
20 direction of the strategic plan needs to be based on
21 environmental and health based cross media risk
22 assessment.
23 A lot of times the Board in the past has created
24 tearing of permitting and other things that are contrary
25 to some of the other regulatory schemes. And I think if

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we start to analyze what Cal EPA has put together in terms of their vision statement and look toward beginning to develop the regulations that fit within the cross media or multimedia analysis of issues, I think we can move things further much faster than we do now.

One of the criticisms that I've heard from, at least my constituents, and some of my clients, is that oftentimes the regulations themselves are so disjointed that you go through part of the process of permitting a facility and satisfy the local land-use decision making process, then you get stalled with the Water Board and then with the Integrated Waste Board and the air districts, so the net sum is that it takes far longer to site a facility in many instances than is really necessary.

The final point I'd like to make is one that in dealing with recycling market development and the siting of facilities and also the RMDZs, including the San Bernardino Kaiser RMDZ, which I was a part of, there should be consideration given to the need to have decisions based on an economic input/output model to describe how this system works.

A lot of times programs and decisions are made absent a bigger view of how the economics in a subregion were, so that when you're trying to divert materials or

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trying to create industry of parks and the infrastructure necessary to enhance recycling or simulate market development, there's not enough economic information to look at the overview and so on. So that it's very difficult to tell if, in fact, you're going to have a pro forma that even mirrors anything that suggests that you're going to have a profitable venture or even if it's a break even.

So I think we need to have some kind of economic model in place to help in the decision-making process. And those are my comments.

CHAIRPERSON MOULTON-PATTERSON: Thank you, Paul. And we are working very closely with Cal EPA on their strategic vision and ours fitting in and with the other BDOs, but thank you very much for your comments.

Julie.

DEPUTY DIRECTOR NAUMAN: The final segment is closing remarks. And we have another distinguished guest here with us today. Bill Shireman is the CEO of Global Futures, which is an organization which resolves conflicts and forges partnerships between corporations and environmental groups.

Bill learned the art of conflict resolution as the former Executive Director of Californians Against Waste where he wrote and built the coalition for the

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1 California Bottle Bill.

2 Today, he administers the work of the Future 500,
3 which is a global network of companies seeking to profit
4 from sustainability. And he's been with us most of the
5 day, and he's observed the comments and the questions and
6 he'll have some thoughts to close down the day.

7 Thank you, Bill.

8 MR. SHIREMAN: Thank you very much, Julie. Thank
9 you, Madam Chairwoman and Members of the Board. Thank you
10 for participating in this process and beginning this
11 process. And congratulations for actually finishing up
12 early today. I think that's testament to some of the
13 commonality thoughts and ideas that were expressed today.
14 And that commonality presents a real opportunity for the
15 Board that I look forward to the Board taking advantage of
16 in the next couple of years.

17 I have four points that I'm going to make and
18 five recommendations that I hope will kind of draw
19 together some of what people have talked about during the
20 day today.

21 I want to look back a little bit. Ten years ago
22 or so I gave a keynote address at the CRRA conference in
23 the aftermath of AB 939's passage. And I said that I felt
24 that the biggest risk that we face with AB 939 was not
25 that we would fail to reach 50 percent diversion, but that

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we would succeed, but in a way that was so forced and so costly, that it would undermine confidence in and support for the programs and ideas and underlying mission of the recycling movement.

And my main point, at that time, was to encourage us not to get lost in the -- in individual methods of achieving those goals, recycling, curbside recycling, composting and so on, but to keep in mind that our fundamental goal was source reduction, our fundamental goal is reducing environmental impact.

And I think we can be proud that as we have put AB 939 into place that we've achieved 42 percent diversion and that we've done it with a tremendous pulling together of resources in the cities and counties throughout the State in a way that has been cost effective, and in a way that hasn't overlooked the possibilities of source reduction. But it hasn't pursued source reduction and it hasn't pursued that higher path yet, which is perfectly understandable.

This was -- what we've just gone through is a prior stage in waste management. Waste management over the years has moved from open dumps, to sanitary landfill, to integrated waste management, and now we're beginning to move into something that goes by many different names, maybe it's integrated materials management, maybe it's

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1 sustainability, but it is a more holistic, a more systems
2 based approach.
3 And that is the challenge and the opportunity
4 that the Board faces today. And it is a real welcome
5 opportunity.
6 The ideas that were being discussed by activists
7 in the room today and thoughtful environmentalists in the
8 activist community are in many ways parallel to ideas that
9 are being expressed among business people, thoughtful
10 people in the business community who are also talking
11 about things like zero waste, extended product
12 responsibility and so on.
13 I have for five years had the great privilege of
14 administering this business network, the Future 500. And
15 it has given us the opportunity to work with some of the
16 largest companies in the world on these issues and to
17 grapple with them. And there is a real opening in the
18 business community to these ideas right now.
19 Many times we revert to kind of the old paradigm
20 assumption that we're going to be fundamentally
21 adversarial and fundamentally at odds. But I think there
22 is an openness that we can take advantage of.
23 And our discussions with companies like
24 Coco-Cola, Collins and Aikman, Coors has been a member for
25 years, Hewlett-Packard, Nike, there are people in

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leadership positions in all of these companies who want to do something positive, who want to work with the environmental community, want to work with government towards solution.

So what are my four points? Four ideas that I think can draw people in the room together today include number one, sustainability. The idea of sustainability is catching fire now in the business community in a more practical pragmatic way.

Fundamentally, talking about sustainability means taking a systems approach. It means integrating environmentalism into operations in companies rather than just segregating it into an internal regulatory enforcement mechanism.

It means using measurement tools. It means using incentives that we talked about earlier, internal incentives within companies as well as external incentives within the regulatory air process. It's an exciting possibility because it doesn't eliminate the profit opportunity. In fact, it emphasizes the fundamental unity of environmental protection and economic development that as you drive pollution down and as you drive waste down, you create smarter products and processes that have the capacity to provide our needs without that kind of consumption that we've had in the past.

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1 Which brings me to the second point and that is
2 zero waste. Zero waste is not a concept that was invented
3 by the environmental community. It's been out there for
4 decades. Twenty years ago Coors Brewing Company had zero
5 waste as their official goal for their company for the
6 environmental programs of their company. It was zero
7 waste. Dupont, the same thing, about ten or 15 years ago.
8 And in both cases, that idea of zero waste wasn't
9 taken as a mandate that they had to achieve, because we
10 all know that zero waste, like zero defects, zero
11 accidents, is impossible to achieve completely, but it
12 inspires a different kind of thinking.
13 At Coors, it inspired a whole range of source
14 reduction and recycling programs that many of which were
15 spun off into separate companies that made money for the
16 company.
17 At Dupont it was part of what drove them to
18 develop new products, herbicides that were a hundred times
19 less toxic than predecessors, because it got them to think
20 in whole systems sort of ways.
21 Rick Best and Gary Liss were presenting the idea
22 of zero waste very ably earlier today and people were
23 inspired by it and yet concerned that it might devolve
24 into a, well if we're going to go for zero waste, then
25 let's go for 75 percent diversion this year, 80 percent

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diversion, 90 percent and so on.

To prevent it from devolving into that kind of focus, we need to turn it to the real opportunity in zero waste. And I think that was best expressed by Board Member Jones who talked about developing smarter products and processes. What we're doing with zero waste or what we can do with zero waste is to begin processes that develop smarter products and processes by replacing fiscal raw materials with better design, with information, with information technologies.

This State is the world capital for the industries that are birthing this potential, the information technology industries that are based here. What a positive force it could be to bring the Waste Board in joint effort with Silicon Valley to inject those technologies into our products and services so that we can continue to dramatically reduce the size and the resource intensity of the products and services that provide us with our needs.

It would be economic development for the State. It would continue to develop perhaps the most important sector of industries to the State's economy and to other economies around the world, and it would unify the interests of environment and business to a great extent, because of the efficiency focus there.

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1 Just as zero defects drove a ten-fold improvement
2 in quality and companies like Monsanto, zero waste, as a
3 concept, is a way of thinking that can drive similar
4 dramatic improvements in the amount of materials that are
5 required to live our lives in a comfortable manner.
6 My third point is in procurement. We've talked
7 for years about procurement practices that government
8 might engage, that companies might engage. And companies
9 are somewhat baffled and confused by the array of possible
10 procurement preferences that they are asked to embrace.
11 But I think the companies are ready to jointly adopt
12 procurement preferences in a large scale manner in a way
13 that is designed to affect the marketplace, affect the
14 kinds of products that they are able to buy.
15 Some of our member companies, some large
16 companies with dominant names, are considering adopting a
17 package commitment to source reduction and procurement
18 preferences. Source reduction, by again creating smarter
19 products and processes, and procurement by adopting
20 procurement specifications that have to do -- which might
21 have to do with recycled content and market development
22 and so on, so that they can join together and jointly say
23 this company and this company and this company are sending
24 a message to the marketplace that these are kinds of
25 products that they want.

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1 So I would strongly encourage the Board to
2 participate in this process, and would be more than
3 willing to make introductions to some of the companies and
4 some of the interest groups that are interested in this.
5 Fourth is E-waste. Here's an opportunity also
6 not to miss. In my experience, in doing conflict
7 resolution and partnership building, industries like
8 forestry, steel, mining and so on, and the activists who
9 have been battling those industries are so battered by the
10 battles over the decades that it sometimes can be very
11 difficult to get them to a position of trust and working
12 together.
13 The computer and electronics industries have not
14 been engaged in those battles to that emotional degree so
15 far. So there's still differences, but there is more of a
16 ready ability to engage. And things haven't become
17 solidified in that.
18 We're doing a study of E-waste and computer
19 products stewardship opportunities with Taniguchi, the
20 former Chairman and CEO of Mitsubishi Electric America,
21 who is kind of leading the charge on that.
22 We have a number of different policy options that
23 can be looked at by State agencies and by the State and
24 other governments that can very cost effectively begin to
25 apply systems of product stewardship and extended product

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1 responsibility to the electronics sector. And it's a
2 sector that's just waiting for something positive to be
3 developed.
4 So my five recommendations for you to consider
5 are, number one, to be proactive on sustainability, to
6 begin to behave like and cultivate the California
7 Integrated Materials Management Board. Don't worry about
8 whether the Legislature decides to officially change a
9 name, you know, and codify that. This is an opportunity
10 to engage this issue as the California Integrated
11 Materials Management Board and bring that approach.
12 Be proactive on zero waste. I can see the zero
13 waste issue breaking down and becoming very, very
14 devisive, you know, between supposed advocates and
15 opponents of zero waste. I would suggest the Board not
16 get caught up in the zero waste debate, but take a
17 leadership role that harnesses the friction that is
18 developing between those adversaries over specific
19 policies relating to zero waste and use that power that is
20 out there to build support for the idea of zero waste as a
21 concept, as a planning tool, and as a source of ideas and
22 inspiration that can help businesses save money and help
23 protect the environment.
24 Number three, be proactive on procurement. I
25 would invite you to join in the process that we're engaged

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in with our members, help us shape the procurement policies that you would like to see businesses in the Fortune 500 adopt a standard operating practice.

What kinds of procurement policies would you like to see just accepted as the norm within the corporate community and let us begin to integrate and advocate those.

Number four, be proactive on product stewardship and extended product responsibility. Yes, there's definitely division between the environmental community and the business community in this area. Even in the electronics field, people are not rushing, you know, rushing to the table to strike agreements, but it's a fluid situation.

There are ideas in motion right now. Let's not let those ideas solidify and ossify to the point where we are stuck for ten years with no resolution or that there is an opportunity. As I said, we're completing a study of options in this area. There are a lot of different ways to go. And I think it's time to begin that dialogue to get people thinking about what those options might be and how they might serve their interests before they get too stuck on their positions.

And fifth, I wanted to first thank the Board for supporting and participating in our conference this last

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year, the Industrial Ecology 2000 Conference, at the Haas Business School, and thank Mr. Paparian for presenting at that conference as well as the Board staff members who attended and participated in it.

And I would like to invite you to join us also at the next Future 500 conference, which is the Strategic Impact 2001 Conference coming up this October 23rd to 26th in Lake Tahoe here. This conference will be focused on -- it's really a summit and it will be focused on rolling up our sleeves and developing some of these programs that we've talked about in E-waste, in procurement and so on.

So I hope that was helpful to you. You have, I think, an inspiring and daunting opportunity before you. And I would certainly be pleased to make myself available for any further advice and assistance you might desire. So thank you once again.

CHAIRPERSON MOULTON-PATTERSON: Thank you, Mr. Shireman. We really appreciate it.

Any final comments? It's been a great day. I just have learned a lot. And I really appreciate all of you sharing. And it's been really great. Thank you, Julie and Rubia and the staff that's put this all together. Thanks a lot.

(Thereupon the Integrated Waste Management Board workshop was concluded at 3:30 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:
5 That I am a disinterested person herein; that the
6 foregoing California Integrated Waste Management Board
7 workshop was reported in shorthand by me, James F. Peters,
8 a Certified Shorthand Reporter of the State of California,
9 and thereafter transcribed into typewriting.
10 I further certify that I am not of counsel or
11 attorney for any of the parties to said workshop nor in
12 any way interested in the outcome of said workshop.
13 IN WITNESS WHEREOF, I have hereunto set my hand
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