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MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

SPECIAL WASTE AND MARKET DEVELOPMENT COMMITTEE

JOE SERNA, JR., CALEPA BUILDING

1001 I STREET

2ND FLOOR

SIERRA HEARING ROOM

SACRAMENTO, CALIFORNIA

WEDNESDAY, SEPTEMBER 4, 2002

1:30 P.M.

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CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

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Jose Medina

Michael Paparian

STAFF

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Terry Jordan, Deputy Director

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Patty Wohl, Deputy Director

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Michael Bledsoe, Staff Counsel

Elliot Block, Staff Counsel

Martha Gildart, Supervising Waste Management Engineer

Jan Howard

Jeff Hunts

Sue Ingle

Neal Johnson

Jim La Tanner

Pipe Miguelgorry

Bill Orr

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STAFF

Chris Peck

Kristen Yee

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1 PROCEEDINGS

2 CHAIRPERSON JONES: Good afternoon. Welcome to
3 the September 4th meeting of Special Waste and Market
4 Development.

5 Oh, thank you, Mr. Leary.

6 EXECUTIVE DIRECTOR LEARY: Little bit of
7 housekeeping.

8 CHAIRPERSON JONES: I'm Steve Jones, for anybody
9 that doesn't know. That's Mike Paparian.

10 Mr. Eaton is not here. He may show up. He had a
11 problem. We switched dates and he had a problem with some
12 commitments, so he may or may not be here.

13 So as a result of that, in all likelihood there's
14 going to be some issues we're just going to have to hold
15 over, you know -- I mean not hold over in Committee, but
16 move forward to the Board. So we'll see. We'll play it
17 by ear.

18 If there's anybody that wishes to speak on an
19 item, there are speaker slips at the back of the room. Go
20 ahead and submit them to Jeannine Bakulich.

21 And anybody that's got a mobile phone, we'd
22 appreciate it if you'd either turn it to "vibrate" or turn
23 it off during the meeting.

24 And with that, I'm going to ask Jeannine to call
25 the roll.

1 SECRETARY BAKULICH: Paparian?
2 COMMITTEE MEMBER PAPARIAN: Here.
3 SECRETARY BAKULICH: Jones?
4 CHAIRPERSON JONES: Here.
5 And Eaton isn't here.
6 Any ex partes, Mr. Paparian?
7 COMMITTEE MEMBER PAPARIAN: None.
8 CHAIRPERSON JONES: I only had one. George
9 Larson was jumping up and down about how happy he was with
10 the RPPC rate.
11 (Laughter.)
12 MR. LARSON: It saved the State a quarter million
13 bucks.
14 CHAIRPERSON JONES: I just have to report my ex
15 partes.
16 And so we will go to Shirley Willd-Wagner.
17 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Thank you,
18 Chairman Jones, and Board Member Paparian.
19 As far as the Deputy Director's report, I have a
20 few items to update you on. As you recall, last month we
21 brought a streamlined waste tire enforcement grant process
22 forward to move to a noncompetitive process. I wanted to
23 let you know that staff has initiated our marketing effort
24 for these grants, made a presentation last week at the LEA
25 conference, and have also met with 20 jurisdictions. Most

1 of the jurisdictions are interested and say they will
2 participate in our program. So we're expecting to be able
3 to allocate all of the $4 million that's allocated this
4 year for that program.
5 Secondly, the first truck stop under the recently
6 approved contract with the CHP, California Highway Patrol,
7 occurred last month outside of Golden Byproducts in
8 Turlock. This was the first of what we plan to be
9 probably monthly checks at landfills and tire processing
10 facilities throughout the State. During the stops the CHP
11 is checking to see the truck is registered with the Board,
12 the registration certificate is on board, and if the
13 manifest had been properly filled out. The effort's
14 directed at the haulers, not the facilities that the
15 vehicles are entering.
16 So in the way of grants updates, agreement
17 packages were sent yesterday for the used-oiled block
18 grants, sent to about 200 grantees. I just wanted to give
19 thanks to the Legal Office, Grants Administration Office,
20 and also especially Toledo and Business Services Office
21 helping us produce and document and get all of these
22 packages out to the block grant recipients.
23 And the Waste Tire Track and Recreational
24 Surfacing Notice of Funding Availability along with the
25 Tire Commercialization and Applied Technology Grant

1 programs, both notices are up on the Board-net now.
2 Filing deadlines are 11/1, November 1st, for the Track and
3 Recreation Surfacing, and October 4th for the Tire
4 Commercialization and Applied Technologies Grants.
5 Just a couple of reminders. Next week, September
6 9th, Monday, here at Cal EPA building staff will be
7 conducting a public hearing at 1:30 on the revisions to
8 the Waste Tire Storage and Permitting Regulations. The
9 45-day comment period ended August 26th, and the
10 Regulation package should be coming to the Committee in
11 October.
12 Also, as you know, September 19th this Committee
13 will hold a special workshop in Sonoma County at the Board
14 of Supervisor's chambers. This will be to discuss the
15 status and potential options for the remediation of the
16 Sonoma County Legacy Waste Tire Sites.
17 Finally, as far as agenda management for today,
18 with the Board's concurrence: Item 40 on the Board
19 agenda, which is Item C for today, this is the
20 consideration of scope of work for Environmental Justice
21 Guidance Documents. This was inadvertently noticed
22 incorrectly for the Committee meeting. The change is
23 regarding the fiscal year. It does not affect the content
24 of that scope of work, but it has been noticed correctly
25 for the Board. The Committee has a choice. We can make

1 the presentation at the Board and move this item straight
2 to the Board, at your discretion; or we could postpone it
3 until next Committee meeting.
4 We'd also like to move Item E and D, just trade
5 the order of those two items, so we could hear Item E
6 first before Item D.
7 And Item 43 has been moved -- which is F for the
8 Committee meeting -- has been moved to the October
9 meeting.
10 Any direction then on Item C, or 40?
11 CHAIRPERSON JONES: Okay, sorry.
12 C we will just go ahead and bring it to the Board
13 meeting.
14 And then it's your call. D and E is no problem.
15 You just flip-flop whatever you want.
16 ACTING DEPUTY DIRECTOR WILLD-WAGNER: I'll just
17 flip-flop them around.
18 Okay. Thank you.
19 Then if we're ready to proceed with Item B.
20 Kristen Yee will be presenting this item. This is our
21 annual used-oil allocation item for the Consulting and
22 Professional Services Concepts for this fiscal year.
23 Kristen will be presenting the item. And then we
24 also have some speakers from other affected divisions and
25 parties at the end of her presentation.

1 MS. YEE: Good afternoon, Chairperson Jones and
2 Committee Member Paparian.
3 I'm here to discuss the status of the used oil
4 fund and your consideration of the approval of the
5 proposed allocation contract concept, which is Agenda
6 Number 39.
7 Before I walk through Attachment 1 and 2, I
8 wanted to point out that on the agenda item, Page 1,
9 there's a typo under Roman Numeral 3, Options for the
10 Board, Item Number 1, it says: "Approve contract concepts
11 for fiscal year 2001-2002," it should be 2002-2003.
12 The third line of Item 1.
13 And I guess before I walk through Attachment 1
14 and 2, where Attachment 1 is kind of the framework of
15 Attachment 2 and shows the dollar amount of our used oil
16 fund, and Attachment 2 presents the framework of how our
17 funds are received, it's pretty much the same presentation
18 as what I did last year. Do you want me to go through the
19 details of Attachment 1 and 2 again, or do you want to
20 just go right into the line item for the CMP.
21 MS. YEE: What?
22 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Expedite
23 it. Move right into it.
24 CHAIRPERSON JONES: Go right into this stuff.
25 MS. YEE: Okay. Thank you.

1 Then the next phase of this item is basically the
2 allocation of contract concept, which is our discretionary
3 funds for the education outreach attachment piece.
4 And that is outlined in Attachment 3 and 4. And
5 I will walk through Attachment 4, the document. And I put
6 before you a revised copy of Attachment 4, so I can go
7 right through that Attachment.
8 Basically, for this line item we start off with
9 $2.62 million. And out of this $2.62 million, $41,000 is
10 allocated for mandatory services, which is basically our
11 student assistant budget. And then $886,000 is for
12 services through invoice.
13 And on agenda item page 5, you'll see Table 1.
14 And you'll see the outline that basically all the invoice
15 items are for advertisement, printing, premiums,
16 booths/conferences, reservations, and curriculum printing.
17 And per the Board's instruction last year, we wanted to
18 have the -- you guys wanted to have the CalMax and the
19 annual recycling trade show as part of our continuous
20 invoice. So we put that in as part of the line item. And
21 you'll see in Table 1 it's designated as CalMax under
22 "advertisement" and annual trade show for $50,000 under
23 "Booths and Conferences."
24 So once we subtract out the $886,000 --
25 COMMITTEE MEMBER PAPARIAN: Let me just ask one

1 question about that.

2 Do we run into any problems with the new rules

3 post Oracle with this type of invoicing scheme?

4 No. Terry's shaking her head no, so that's okay.

5 Go ahead.

6 MS. YEE: Okay. So once that's subtracted out

7 from the $2.62 million, we have a remaining $1.693 million

8 to allocate for contract concepts. And the Board staff

9 has proposed eight different contract concepts. And I can

10 go through them right now with you.

11 And that starts on Page 7 of the agenda item --

12 actually Page 6.

13 So of the contract concepts that we're proposing,

14 it totals $808,000. Five is from the Used Oil staff; one

15 is from Public Affairs; another one is from DPLA; and the

16 third is from Waste Prevention and Market Development.

17 And that contract concept in particular, for the motion

18 picture entertainment industry, was not submitted as part

19 of the original attachment. And that's why you have

20 before you the new contract concept as well as revised

21 Attachment 4.

22 So going down the contract concepts:

23 The first one is the Marina oil collection. And

24 that is a contract with the Coastal Commission were we

25 want them to determine -- do an assessment of what the

1 need of the oil collection facilities are at our
2 California marinas.
3 The next one's our used oil forum. That's our
4 annual forum that we have statewide for all of our
5 grantees, our recycling and oil industry personnel and
6 business individuals.
7 The third contract concept is the social
8 marketing pilot. And what we want done there is to hire a
9 Contractor to conduct a social marketing pilot to promote
10 recycling used oil in three local jurisdictions. So that
11 we can also help us to identify what the barriers and
12 benefits of oil recycling in the community is and to
13 determine whether or not social marketing methods would
14 help increase used oil recycling as well as used oil
15 filters.
16 Our next contract concept is the re-refined oil.
17 And that's an outreach program to encourage the
18 distribution and procurement of re-refined oil in a pilot
19 project to determine the barriers of distributing and
20 procuring re-refined.
21 Our next contract concept is the stormwater
22 guide. What we're finding out is local jurisdictions are
23 now trying to purchase stormdrain filters to prevent oil
24 from entering into their stormdrains. But they're really
25 not familiar with the technology that's out there. And

1 what we would like to do is get a contract to identify all
2 the different available technologies and efficacy for
3 local jurisdictions to use.
4 The next contract concept is the advertisement
5 that's being put forth by the Office of Public Affairs.
6 And they will be presenting the different options to you
7 after my agenda item stuff -- after my presentation.
8 The next one is the waste characterization. And
9 that's being submitted through Division of Planning and
10 Local Assistance. And they will be working with a
11 contractor to do statewide characterization of the
12 disposal waste.
13 And the last one is the motion picture that was
14 just placed before you. And that is a project with UCLA,
15 and it's to bring together the different key players in
16 the entertainment industry to green industry.
17 So these are the contract concepts that staff is
18 proposing. And as I said before, it does total $808,000.
19 And that leaves a balance of $885,000 at your discretion
20 to propose other concepts.
21 Once we get your input and recommendation as well
22 as the input from the Budget Committee, which takes place
23 next week, Attachment 3 and 4 will be updated for the
24 Board meeting.
25 And as a reminder, any of these funds that are

1 not used this fiscal year, it will be carried over and we
2 don't really lose the fund because it's continuously
3 appropriated.
4 Before I have the interested parties speak on
5 Agenda Item -- I mean Concept 36, I wanted to give you an
6 update as to the status of the other contract concepts.
7 Would you like me to run through that or --
8 CHAIRPERSON JONES: Sure.
9 MS. YEE: Okay. Back in November 13th - 14th
10 Board meeting, 2001, some contract concepts were approved.
11 And starting on Page 7 of your agenda item, you'll see
12 that while it was approved in fiscal year 2001-2002, we're
13 going forward with these contract concepts in fiscal year
14 2002-2003?
15 The first one is the California Conservation
16 Corps. They'll continue to do outreach for us.
17 The next one is the five-year plan, which is a
18 plan that we wanted to develop for the used oil program to
19 help give us directions in terms of how -- which direction
20 our program would be going in. And we wanted to get
21 information based on our comprehensive assessment, which
22 will be beginning this year. Actually, it just got
23 approved last month.
24 The Environmental Justice, which would be going
25 forward at the September Board meeting.

1 And then, lastly, the comprehensive assessment,
2 which the Board approved with Cal Poly San Luis Obispo at
3 the August 20th, 2002, Board meeting.
4 On Page 8, it outlines the different -- the next
5 four contract concepts that were approved. And we have
6 not followed through -- pursued it because we did have
7 staff work on it and we did further research and
8 investigation, and we found that it just wasn't either
9 financially prudent or it wasn't an effective use of our
10 used oil fund. That is the Storm Water Prevention
11 Outreach Startup, the Agricultural Amnesty and Education
12 Program, the Training For the Fleet Management, and the
13 Used Oil Contamination Kit.
14 And I guess in a nutshell that pretty much
15 concludes my contract concepts of this agenda item. And
16 staff is recommending that the Committee approves the
17 allocation outlined in Table 1 and adopt Resolution Number
18 2002-469, and requests the Committee provides direction as
19 to which contract concepts presented are approved and
20 which other contract concepts are to be added.
21 And now I'd like to have Frank Simpson introduce
22 the speakers for Contract Concept Number 36.
23 ASSISTANT DIRECTOR SIMPSON: Good afternoon,
24 Chairman Jones and Board Member Paparian. Frank Simpson
25 with the Public Affairs Office.

1 This is the time of year when the Heartland
2 Contract usually comes up. And being that you gentlemen
3 haven't been paid in a while, and hopefully you will after
4 10:00 o'clock tomorrow, you know what a fiscal crisis that
5 the State is in, actually $21 billion in debt. So it has
6 been our effort to be very fiscally conservative and to
7 look at all the projects that we have out there. In
8 saying that, we've worked very carefully with the used oil
9 program to give you, the Board members, more options to
10 look at. So this gives you a variety of things to choose
11 from. And you can make those choices on your own.
12 Now, we've come up with four different proposals
13 right now for your consideration:
14 It includes a radio campaign that would be on
15 KFBK here in Sacramento and also KFI. Those are two very
16 large radio stations, north and south. That would give us
17 a little bit of southern exposure as well.
18 Or KPIX TV in the Bay Area, a powerhouse
19 television station, that would -- that they have a
20 proposal as well on an eco-talk tips program.
21 Also, one thing that we brought I believe to you
22 once before was -- which was Pump Toppers, which is a
23 little signage that goes on top of the gasoline pumps.
24 And then the Heartland contract is still there.
25 We just want to let you look at those, think them

1 over. If you had any other ideas, we're more than happy
2 to entertain that as well.
3 As you are aware, I came to each of you not long
4 ago because the Public Affairs Office is developing a new
5 communications strategy. And in that strategy we will
6 have a major media campaign. We'll have earned media,
7 we'll have grassroots outreach, and a variety of different
8 things. But in the interim, until that new communications
9 strategy comes to you, these are the proposals that are --
10 they're not stopgap. That's not exactly the right word to
11 use. But it just gives you the option to look at a
12 variety of different things and make those choices.
13 So with us today we have from Pump Toppers, Fran
14 Mueller; Tim Stallings from KPIX TV; and Rich Seiber from
15 KVIE.
16 The Clear Channel representative is in Las Vegas
17 today, but they will be here for the Board meeting.
18 So if I could invite -- let's start with Fran.
19 And Fran, Tim, and Rich, maybe you could take
20 about two minutes apiece and address the Board.
21 MS. MUELLER: Hi. Good Afternoon. I'm Fran
22 Mueller. I'm from PTI. I am actually here in place of
23 our normal representative, and was not prepared to speak,
24 so I'll be very brief and just kind of fill you in.
25 PTI Media Networks has been in business for eight

1 years. And we are the premier company for pump-top
2 signage across the country.
3 Our proposal is for three major California
4 markets: Los Angeles, San Francisco, and Sacramento, with
5 pump-top signage in those markets. This is an opportunity
6 to speak directly to target motorists in a broad spectrum
7 of the population, with very clear, concise messages on
8 recycled oil and reused oil programs.
9 Any questions or --
10 CHAIRPERSON JONES: Yeah, I have one.
11 Can these be -- you've identified Sacramento,
12 L.A., and San Francisco. I mean obviously we should have
13 some data about where the majority of our
14 do-it-yourselfers are that could help coordinate that,
15 because then you could target that audience. But these,
16 I'm sure, can be done bilingual?
17 MS. MUELLER: Yes.
18 CHAIRPERSON JONES: I mean it would be -- we're
19 sitting here talking about EJ and other stuff. And if we
20 are going to do pump toppers, we ought to make sure we're
21 doing it in the language of the --
22 MS. MUELLER: Exactly. The really unique aspect
23 of this product is that if you're working with specific
24 neighborhoods or areas, you can customize it to that.
25 We've currently got a few campaigns up in Sacramento right

1 now countywide, and the messages are specific to the
2 individual counties.
3 CHAIRPERSON JONES: Great.
4 Mr. Paparian, any questions?
5 Okay. Thank you.
6 MS. MUELLER: Thank you very much.
7 ASSISTANT DIRECTOR SIMPSON: Tim Stallings.
8 MR. STALLINGS: Good afternoon, everybody. I'm
9 here from KPIX TV in San Francisco and Evening Magazine.
10 Some of you may be familiar with this show.
11 We've teamed up with a noted ecologist, Betsy
12 Rosenberg, who does a show weekly on KCBS radio known as
13 Eco-Talk. She's been doing the show for five years now.
14 I think it was formally known as Trash Talk. She has
15 quite a large following in the Bay Area. And part of the
16 reasons for that is -- I mean she cares about it. She's
17 an environmentalist and cares about, you know, everything
18 in California. She couldn't be here today because she's
19 down in the Channel Islands in L.A. fighting to protect
20 the wildlife there and the refuge.
21 And what we put together was a 13-week campaign
22 on Evening Magazine known as the Eco-Talk Tip. Evening
23 Magazine is very popular in the Bay Area. It's a viewer
24 benefit show. People tune in to find out what's going on
25 and, more importantly, learn things and learn how they can

1 help out with everything in the Bay Area from, you know,
2 social activities all the way down to saving our
3 environment.
4 So what we came up with was a 45-second feature
5 within show content that would be hosted by Betsy. And
6 she would actually go on air to provide our Greater Bay
7 Area viewers with possible tips and ideas on what they can
8 do, you know, to educate themselves and enhance public
9 participation in environmental management practices.
10 As far as reaching throughout the state, there's
11 always the potential of teaming up with our sister station
12 in L.A., KCBS TV, to provide the International Waste
13 Management Board the kind of reach they want throughout
14 the state.
15 And our goal in this whole thing, as I said, is
16 to basically educate the public and ultimately enhance
17 public participation in the environment.
18 CHAIRPERSON JONES: Great.
19 One question. As you run credits after your
20 show, would we be able to advertise our web site for where
21 there are oil collection facilities?
22 MR. STALLINGS: Most definitely. That was
23 actually part of the plan. How it would basically break
24 down in terms of TV sense is as you're watching this
25 program, you would see about a 45-second feature, as I

1 mentioned, hosted by Betsy, where she offers viewers tips
2 and beneficiary information. That feature would be
3 followed directly by an 8-second billboard.
4 And basically, you know, it would say, "This
5 feature's brought to you by the California International
6 Waste Management Board. For more information log on
7 to..." and it would give your web address. And that would
8 run into commercial break. And immediately going into
9 break would be a 30-second message specific for your needs
10 and your wants, and you could communicate your message to
11 our entire Bay Area audience.
12 Over this 13-week campaign this would reach an
13 estimated six million viewers. And that number could only
14 be increased by adding radio cross-promotion with Betsy.
15 And, like I said, there's always the potential of
16 partnering with our sister station in Los Angeles.
17 CHAIRPERSON JONES: Great. Yeah, we're familiar
18 with Betsy. We've funded her at least four times that I
19 remember. So she's always done good work.
20 MR. STALLINGS: Well, she's very adamantly into
21 what she does.
22 CHAIRPERSON JONES: Oh, she is.
23 Mr. Paparian.
24 COMMITTEE MEMBER PAPARIAN: Yeah, just -- this is
25 actually more for Frank.

1 These are some creative ideas. And I think it's
2 good to have these out there. I think that when we're
3 looking for some additional money to spend, what we might
4 want to do is set some aside for evaluation of these
5 different types of approaches to see what the effect was.
6 And I'm not sure how -- well, I have some thoughts on how
7 you might do it. But, you know, I know there are surveys
8 of viewers of TV stations in various regions.
9 Perhaps we could buy a question or two just to,
10 you know, check what kind of impressions people had of the
11 KPIX program. I don't know if there's some other way to
12 check people who use gas stations in the various areas for
13 the pump-top stuff. But so that we have some way of
14 evaluating the effectiveness of these various approaches
15 and to determine whether we might want to expand the use
16 of some of these approaches in the future.
17 ASSISTANT DIRECTOR SIMPSON: Yes, sir, that's
18 entirely possible. As you know, in radio and television
19 those are monitored through a rating service, and we can
20 generally find out what the audience is, how large the
21 audience is, and what the demographics are.
22 Billboards and magazine ads are a little bit more
23 difficult to trace. But on the other hand, I think what
24 used oil is doing already in terms of their social
25 behavior modification campaign, I think we could glean a

1 great deal of information out of that as well. And as
2 we're rolling out those new campaigns, we can use some of
3 that research, too.
4 COMMITTEE MEMBER PAPARIAN: How much do you think
5 beyond that somehow trying to find out if people
6 actually -- if it actually sunk in to the population
7 watching these things or the population using these gas
8 stations, if it actually had some impact on them? And if
9 we can demonstrate some impact, to me that would be an
10 indication that would be something we'd want to expand in
11 the future.
12 ACTING DEPUTY DIRECTOR WILLD-WAGNER:
13 Occasionally, we have surveys done through local
14 governments. We could look at tying into some of those
15 where actually people that bring their oil into a center
16 ask where they heard about the program. That's again not
17 an ideal situation, but it might tie back to them being
18 able to say, "We saw a pump topper" or "We heard it on
19 Channel 5," or something.
20 CHAIRPERSON JONES: Okay. Next.
21 ASSISTANT DIRECTOR SIMPSON: Thank you, Tim.
22 KVIE.
23 MR. SEIBER: Good afternoon. I'm Rich Seiber.
24 I'm the show producer for California Heartland, a
25 statewide television program that airs on PBS. It's

1 produced locally here by KVIE.

2 I would like to extend my thanks to the

3 California Integrated Waste Management Board for their

4 support of our program the past few years, and a big

5 thanks to their staff who has helped us generate story

6 ideas and research over the years. It's always been a

7 pleasure working with them.

8 We have over a million viewers a week, as we

9 enter our 7th season. And 83 percent of our audience is

10 shown to be in the urban areas of either Sacramento, Los

11 Angeles, San Diego, or San Francisco. So we do an

12 excellent job of reaching the urban viewer with your

13 message.

14 Another neat feature about our program is that

15 almost every PBS station in the state repeats our show up

16 to seven days a week. So you don't just get one airing.

17 You get seven airings of California Heartland.

18 We also have a companion web site to our program

19 where your web site has been linked with our show for a

20 number of years. We want to continue to be able to do

21 that. We have over five million hits on our web site,

22 over a quarter million hits every month.

23 I have some handouts if you're interested in

24 evaluating our performance over the last year. And I'm

25 open to questions if you have any.

1 CHAIRPERSON JONES: Questions?

2 I've voted for this thing I think three or four
3 times. And the only time I get nervous is when I see a
4 repeat and sometimes our advertisement it gets kind of cut
5 a little short. But other than that, other than that you
6 guys do a good job. I think you send out a good message.
7 And I know we used to have an interchange -- we used to
8 have the ability to exchange ideas and story themes. And
9 I'm hoping that is still part of this process so that we
10 can get the messages out that we need to.

11 MR. SEIBER: Definitely.

12 CHAIRPERSON JONES: One of the contract concepts
13 is a farm and ranch amnesty day for farmers that -- most
14 of these folks give 55-gallon drums of oil delivered
15 pretty regularly. And when they do their changes, they
16 put them back in the empty drums. DTSC just changed the
17 rules that they could actually haul that stuff. Before,
18 it used to be limited to 20 gallons.

19 So we need to be able to -- if we're going to do
20 that program, we need to be able to coordinate those types
21 of activities so that the farmers that do watch the show
22 are aware that those kind of services are available in the
23 counties. Because, you know, we used to use oil as weed
24 abatement, so there are still some guys out there that
25 probably remember the old days more than they do the new

1 days. And we've got to keep offering them tools to deal
2 with this stuff the right way. So, I mean, I think if we
3 can come up with a coordinated message between radio and
4 TV, pump toppers, all that stuff, that is consistently out
5 there telling, you know, the public different pieces, then
6 we'll start to raise our rate of usage of our used oil
7 centers considerably.
8 Thanks.
9 MR. SEIBER: Thank you very much.
10 CHAIRPERSON JONES: Anything, Mr. Paparian?
11 ASSISTANT DIRECTOR SIMPSON: Thank you, Rich.
12 That concludes our portion of the presentation.
13 I'll turn it back over to Shirley and Kristen.
14 CHAIRPERSON JONES: I just want to do one thing,
15 because this -- I don't know if this is what -- Chris Peck
16 and Pat Schiavo and others -- at the CRRA conference I was
17 approached by two folks that were working with Joe
18 Garbarino and Marin Sanitary who were working on two
19 ideas. One was an educational CD-type game on recycling.
20 And Chris I think can talk about that.
21 This thing all moved pretty quickly because I
22 passed it off to staff and they saw real merit in what was
23 going on there and thought that there was some real
24 possibility for this concept. And I think yesterday
25 afternoon Chris and I finally had a chance to talk, and

1 it's actually gotten to the stage where this may be
2 doable. I don't know if it belongs in this grouping. I
3 mean obviously it belongs in this agenda item to at least
4 bring the idea forward.
5 But it is educational. And I don't know if
6 Public Affairs, since Chris is kind of taking the lead,
7 needs to -- do you care if he at least brings this issue
8 up? He just made this out yesterday. And it would be a
9 joint-funded-type thing.
10 But, Chris, since we're talking about
11 advertising -- or Frank's division, then we ought to give
12 you a shot now.
13 MR. PECK: Thank you, Mr. Chairman. Chris Peck
14 in the Public Affairs Office.
15 The concept that has come forward actually was
16 the result of an unsolicited proposal from a group calling
17 themselves Green Productions, who want to do a -- first
18 off, which is what they're asking for some financial
19 support from the Board from, is a feasibility study on the
20 development of a video game that would specifically lay
21 out for students and families the whole concept of
22 recycling, what's recyclable, what kinds of things are
23 made with recycled materials, and ultimately develop, if
24 this works out, a commercial video game that would be an
25 alternative to some of the violent sort of mind-numbing

1 stuff that the video gaming industry is spending all of
2 its resources developing for kids.
3 It seemed to me, particularly in light of SB 373
4 and the whole idea of integrated environmental education
5 in particular, if this concept would be expanded a little
6 bit. And I've suggested to the proponents that this might
7 be a good way to go, to include at least down the road
8 some game engines that involved some of the air quality
9 issues and water quality issues and perhaps also energy
10 conservation, to really get to the nut of what we're
11 trying to do in terms of integrated environmental
12 education.
13 Anyhow, what they're asking for from the Board is
14 $40,000 towards a total feasibility budget of $143,000.
15 But they're also -- they're developing additional sponsors
16 to do that. And my idea, which I shared with them, was
17 that if the Board were to see their way to allocating
18 funding to support this, because the initial component of
19 this is a recycling-base video engine, would be that if
20 the Board could support this that any money that might
21 come to them from the Board would be available upon the
22 successful funding of the rest of their feasibility study
23 budget. So we might be the first $40,000 that actually
24 got identified, but our money wouldn't flow until the
25 entire feasibility study were funded.

1 CHAIRPERSON JONES: Mr. Paparian.
2 COMMITTEE MEMBER PAPARIAN: How does this -- this
3 is the feasibility study to determine whether it makes
4 sense to go forward with production of the actual video
5 game?
6 MR. PECK: Correct.
7 COMMITTEE MEMBER PAPARIAN: So presumably then
8 the budget for actual production of the video game would
9 be much more than this?
10 MR. PECK: They're talking in the neighborhood of
11 $2 to $3 million that they're not asking for funding from
12 us. I mean assuming -- if they did go down that road and
13 come to the Board, I think, at that point in time, we
14 would talk to them about being reimbursed for whatever
15 support we might give them towards the ultimate
16 development of the product. But they're looking at really
17 the full-on design of in terms of everything that would be
18 included and how it would work, that kind of stuff, not
19 actually developing the product.
20 COMMITTEE MEMBER PAPARIAN: I'm still absorbing
21 this.
22 CHAIRPERSON JONES: Well, I don't think -- I
23 think with just two of us here, you know, we're going to
24 end up having to -- give you, you know, maybe some ideas,
25 but -- okay. Keep going. Thanks, Chris.

1 ACTING DEPUTY DIRECTOR WILLD-WAGNER: I believe
2 we've presented all of the contract concepts that we have
3 to propose. And the bottom line is that the proposals
4 that we have before you, including the motion picture
5 studio contract greening the motion picture industry,
6 comes up to a total of $808,000, leaving a balance for
7 additional contracts that might want to be considered of
8 $885,000.
9 So I guess, at this point, we're open to any
10 other suggestions that you might have. Whether you
11 approve of all these concepts or should -- as we said,
12 they'll be discussed also at the Budget and Administration
13 Committee and at the Board meeting.
14 CHAIRPERSON JONES: I just have a couple
15 questions, but -- Mr. Paparian, any questions?
16 I mean, I like the idea of a concerted, focused
17 advertising campaign. We've given out opportunity grants
18 to local jurisdictions up and down the state who have sort
19 of -- some of them have used those dollars for their own
20 local ad campaigns. So we get a very different message
21 depending upon what part of the state we're in and what
22 they're really trying to do with that money. If we were
23 to -- I mean, I see the proposal at a hundred grand. But
24 I see $400,000 worth of potential, which sort of makes
25 sense to me when you're dealing with a fund that's --

1 what's our total fund for oil? I think it's, for all the
2 different oil we're at --
3 ACTING DEPUTY DIRECTOR WILLD-WAGNER: You have
4 35 million, including all the grants.
5 CHAIRPERSON JONES: Thirty-five million. And
6 it's not a whole lot of money when you're looking at
7 400,000 compared to the $35 million problem, or a $35
8 million opportunity.
9 If we were to go down a road where we had some
10 kind of a focused adver -- not ad, but informational
11 campaign, would we be able to in our opportunity grants
12 that go out to the jurisdictions put in some kind of a --
13 either a restriction or a criteria that they follow some
14 kind of a Board-approved campaign so that we do have a
15 focused message from the standpoint of -- if they want to
16 use their monies to advertise not only their local
17 collection systems, but the perils of dumping oil down a
18 sewer or in a field or in the water way, that at least it
19 has some continuity with what we're doing? Is that
20 something that we have the ability to do?
21 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Certainly,
22 do on the opportunity grants. In the past -- just a
23 little history on this. We have staff approval of all
24 publicity education materials that go out. So we make
25 sure, for instance, that the used oil logo and the right

1 colors and the words "recycle your used oil" is on all of
2 the campaigns, all the publicity that goes out by the
3 local government jurisdictions. So we do have at least
4 somewhat of a consistent message that we're sending out.
5 In the block grants we don't have as much
6 control. Basically, the statute says, you know, that as
7 long as you do a program, including a public education
8 piece, that -- we still see and staff still sees most of
9 the publicity, but we definitely have that control that we
10 can put preference in. The Board approves a preference
11 criteria of course each time for the opportunity grants.
12 We can make it a preference. We can also provide more
13 tools. We haven't really done a statewide education
14 campaign. Back in '95 -- '94-'95, before we were with the
15 program, they looked into one. They had a contract. And
16 it was kind of determined, at that time, that a statewide
17 message was going to be too broad, not meeting the needs
18 of the individual jurisdictions.
19 I think it might be time to look towards that
20 integrated message. And I agree with you, Mr. Jones, it
21 might be a good time to move in that direction, at least
22 provide that message and those images to the locals to use
23 in their campaigns also.
24 CHAIRPERSON JONES: Yeah, I mean clearly some of
25 the stations that we're talking about, there's some

1 regional aspects obviously to the Bay Area and others.
2 And one thing we may want to look at is a couple of other
3 stations that have a demographic difference than KPIX and
4 Channel 6. And you may want to have that information for
5 the Board meeting, what the availability is on a few of
6 those. And, you know, because I know that you've put a
7 lot of time and effort into this. But I think it's
8 probably getting close to being time.
9 All right. Mr. Paparian.
10 COMMITTEE MEMBER PAPARIAN: Thank you. Just a
11 couple questions.
12 One of the -- on Page 39-8, it lists some of the
13 contracts that were approved last year, but for one reason
14 or another were not pursued. I wanted to ask specifically
15 about the training for fleet managers.
16 Is that something that -- after looking at this,
17 do you think that has potential in the future if we
18 overcame some of the problems? Or was it just something
19 that didn't pan out? I guess I'm asking probably more of
20 the program people.
21 MS. YEE: The reason why it didn't pan out, I
22 think when we were negotiating with them in terms of what
23 we wanted to do for training, they just wanted to utilize
24 our funds just to do a video. But they had already
25 developed a video themselves. And --

1 ACTING DEPUTY DIRECTOR WILLD-WAGNER: They,
2 meaning?
3 MS. YEE: DTSC. We were going to do an
4 interagency agreement with DTSC because they work with a
5 lot of the automotive repair shops.
6 And so we decided that that wasn't something that
7 we wanted to pursue at this time was to just do another
8 video. And that was all that they really came up with
9 when we were trying to determine what kind of training
10 materials we wanted for the fleets.
11 COMMITTEE MEMBER PAPARIAN: Yeah, I think --
12 CHAIRPERSON JONES: Good decision.
13 COMMITTEE MEMBER PAPARIAN: -- you know, one of
14 the things I'm wondering is whether there are any where
15 their fleet managers get together in any type of forum.
16 Is there a fleet manager convention somewhere or something
17 like that where we could, you know, provide some training,
18 some information, whatever, to try to promote the use of
19 re-refined oil with fleet managers?
20 ACTING DEPUTY DIRECTOR WILLD-WAGNER: I believe
21 we could. We have done that in the past. We have an old
22 nonprofit and research and demonstration grant where we
23 did actually meet and go to those meetings and provide
24 face-to-face training with fleet managers throughout the
25 state. This was again back in '96 or '97.

1 And of course we have public resources -- Public
2 Contracting Code statutes that says that state agencies
3 under SABRC should buy re-refined oil. So it's there.
4 It's a matter of what's the best vehicle? Maybe, again,
5 do we want to redo that training again?
6 COMMITTEE MEMBER PAPARIAN: I think it might be
7 worth considering.
8 CHAIRPERSON JONES: Yeah, I think there's
9 opportunity, Mr. Paparian. I think that CTA, different
10 trade organizations, there's construction -- you know,
11 there's a construction and there's a builders'
12 association, there's California Refuse Removal Council,
13 there's SWANA. What you'd probably have to do is figure
14 out how to put a RFP together that made it available --
15 the project would really have to be being able to explain
16 re-refined oil and its benefits in a whole wide range of
17 different vehicles. But I was amazed that my old partner
18 is specking it in all of his vehicles, because he was
19 pretty tough for a long time.
20 So I think with the right kind of concept -- what
21 kind of money were you looking at the last time?
22 MS. YEE: It was $80,000.
23 CHAIRPERSON JONES. Probably wouldn't be a bad
24 idea.
25 COMMITTEE MEMBER PAPARIAN: You might even --

1 even paying a contractor to go out and promote the use of
2 this, you know, in the right forums, with the right
3 people --
4 MS. YEE: So it is my understanding we should
5 revitalize this particular contract and focus on the
6 fleets? We do have another contract concept that we're
7 submitting on the re-refined outreach which is really more
8 tailored towards the general public.
9 CHAIRPERSON JONES: I think these are two
10 different animals.
11 MS. YEE: So we'll put this for the 80.
12 CHAIRPERSON JONES: Yeah, because the general
13 public's going to be driving, you know, I mean you've got
14 a set of conditions with the new car engines and the old
15 car engines and a whole other one with diesels. And what
16 they need to be sure of -- and part of that's going to be,
17 you know, taking your existing information and really
18 telling it straight, you know, that here's the benefits.
19 And I think a lot of the new truck manufacturing -- or
20 engine manufacturers have removed that barrier and said --
21 and haven't put a barrier that you would void a warranty
22 if you used re-refined. So I mean that'd be worth getting
23 into.
24 COMMITTEE MEMBER PAPARIAN: And then the other
25 one that was on there, the used oil contamination testing

1 kit, I don't think we need to go into that now. But
2 perhaps we could set up a separate meeting to talk about
3 why that failed and whether we might be able to come up
4 with anything to -- I mean it gets back to the university
5 again. If we could do something to get the university
6 chemical engineering folks to help develop something like
7 this or something. But let's -- I'm not looking for an
8 allocation on that right now. I'd like to know more about
9 why that didn't pan out and see if there's anything we can
10 do to revive that.
11 I know that the used oil collection industry
12 folks were very interested and excited by the possibility
13 of having a test kit developed that they could use on
14 their trucks as they were -- before they put the collected
15 oil into their trucks and potentially contaminated a whole
16 load.
17 CHAIRPERSON JONES: Actually -- I know you don't
18 want to hear about it now, but in fairness, I was the one
19 that was pushing hard on that one and got extra money
20 allocated to it. It was the fact that it was PCBs that
21 are creating the problem. They went to Lawrence Livermore
22 Lab, and there is no test available that could be done
23 right now. That they were going to have to actually
24 develop a test to -- and develop a test kit. And they
25 were talking. Then you had 9-11 and that kind of moved

1 Lawrence Livermore Lab's priorities.

2 MS. YEE: Yeah, not only is it developing a test

3 kit. Once the test kit is developed, you would have to

4 find a market, a manufacturer who's willing to develop the

5 test kit, assuming that there's a demand for it. So that

6 meant quite a bit of funding allocated to developing this

7 test kit, even beyond the 445. And even with the 445, you

8 may still end up with nothing because it really is at the

9 research and development stage.

10 ACTING DEPUTY DIRECTOR WILLD-WAGNER: But we

11 definitely want to do something to help some of those

12 local collection programs, especially the local

13 governments. And I would be real happy to meet with you

14 over -- got some ideas, some ways that we might be able to

15 go.

16 MS. YEE: Yeah, I think I would like to sit down

17 and talk with you and the staff too, because they have

18 done quite a bit of research on it.

19 COMMITTEE MEMBER PAPARIAN: Okay. And then in

20 terms of what I brought up before in terms of public

21 affairs. If we could figure out a way to set aside some

22 funds for -- what would we call it, program evaluation?

23 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Evaluation

24 of the campaign?

25 COMMITTEE MEMBER PAPARIAN: Yeah, Yeah, with the

1 purpose of figuring out what's working. Because I think
2 in the future we want to try to do our best to base what
3 we spend our money on what's working and what's the most
4 effective way to reach the type of audience we're trying
5 to reach.
6 CHAIRPERSON JONES: Okay. I'm not sure I have a
7 problem with any of these. I'm just a little bit worried
8 though about the environmental justice issue. The way it
9 was explained to me -- I mean if we're going to do this
10 where we're going to look out and try to provide
11 information to jurisdictions, oil centers are only where
12 oil centers -- where somebody that owns a business or a
13 fire station or something like that and wants to have an
14 oil center is where they are. We can mandate them.
15 So I think that we just have to be real careful.
16 I just don't -- I have no problem with trying to figure
17 out where in our demographics throughout the state there's
18 a shortage of those facilities, so that we can both tailor
19 an advertising campaign and either work with some fire
20 departments or whatever to see if they would put in tanks
21 to accommodate that oil. But I remember a proposal to try
22 to work with 1-800 cleanup that would have given us all
23 that demographic information, that never went anywhere.
24 And we would have had it. We would have been able to
25 figure out where to tailor a message and where to tailor

1 these collection sites had that whole concept gone through
2 last year.
3 So my caution is -- when the Board meeting comes
4 I want to have that discussion about what it is we're
5 trying to do here, because, you know, it's more about
6 where facilities are and where under-served facilities
7 are, as opposed to an EJ issue. Because these facilities
8 are sited at transfer stations, recycling centers, fire
9 departments, gas stations, and some auto supply stores or
10 oil change facilities. So I don't want to waste a bunch
11 of money trying to figure out how we're going to tell
12 people to build a -- put a tank somewhere if nobody wants
13 to house a tank. And we've got to come up with that
14 reality.
15 So it's one I wasn't sure how they were going to
16 do it when they put the proposal together. And it's one,
17 now that I've seen the proposal, I'm convinced that I
18 don't know how they're going to put it together.
19 COMMITTEE MEMBER PAPARIAN: Mr. Jones, I think
20 this is the one where there was a noticing issue and we're
21 supposed to be talking about it at the full Board meeting.
22 And so I think I'll hold up on my --
23 CHAIRPERSON JONES: No, it's right here. It's
24 actually -- I'm dealing with this agenda item that's
25 looking at discretionary contracts, Item Number 39. So

1 the actual agenda item you're talking about is next. I'm
2 talking about this --
3 COMMITTEE MEMBER PAPARIAN: Okay. Let me make
4 sure I know what we're talking about then.
5 What I see is the contract concepts approved in
6 2001-2002, which includes an environmental justice study
7 in the amount of $200,000; which then we have a scope of
8 work for as Item 40 on the agenda, which I thought I
9 heard --
10 CHAIRPERSON JONES: Right, that's going to be
11 heard at the Board meeting.
12 COMMITTEE MEMBER PAPARIAN: That's going to be
13 heard at the Board meeting, right. So I don't want to
14 talk about the scope of work here, I don't think, because
15 we're supposed to be talking about it at the Board meeting
16 because we had a noticing issue on that scope of work.
17 CHAIRPERSON JONES: I agree. We're on Item 39,
18 and we're talking about the allocation of dollars. And
19 there is an allocation there of $200,000. It doesn't have
20 anything to do with the scope of work.
21 On -- right here.
22 COMMITTEE MEMBER PAPARIAN: Right.
23 CHAIRPERSON JONES: This is the item I'm talking
24 about.
25 COMMITTEE MEMBER PAPARIAN: Right. Well, you

1 were talking about the substance of the scope of work, I
2 thought, so --
3 CHAIRPERSON JONES: No, actually I was dealing
4 with the substance of the idea. But that's okay. It's
5 all right.
6 Because when Item 39 comes forward we're going to
7 talk about how we are going to allocate this one million
8 six, correct?
9 MS. YEE: Well, it is not totally the one million
10 six. Of the one million six, staff has allocated 808,000,
11 which is the concept 031 through 037, plus the new one
12 that was just added. So what you have to deal with is the
13 885,000 if you should approve what staff has proposed.
14 CHAIRPERSON JONES: Okay. Got it.
15 MS. YEE: So you're looking at the balance. And
16 so under that column "used oil requested," it outlines our
17 request of 808. And our balance is 885. But your balance
18 is 1.693 million if you don't approve what we've
19 suggested.
20 CHAIRPERSON JONES: Okay. So on Item 39, the
21 couple of items that have just been brought up that
22 wanted -- to look at, to be added to this, right?
23 MS. YEE: Yes.
24 CHAIRPERSON JONES: Where would we add that?
25 Since that was already approved in 2001-2002, but it

1 wasn't done, would we add that?

2 MS. YEE: No. Those are the committed ones

3 already. I just put it here to show that that 800,000 is

4 precommitted and it's not part of the 2.6.

5 CHAIRPERSON JONES: All right. The fleet

6 managers --

7 MS. YEE: We will put that on --

8 CHAIRPERSON JONES: -- which had been approved,

9 right, in 2001-2002, but weren't done, if we chose to add

10 that --

11 MS. YEE: We would add it on as one of the new

12 ones because that was not previously -- it wasn't

13 committed in our budget. So it just adds that back on.

14 I would add back on the fleet manager and I would

15 add -- and I'll discuss with you guys later what the

16 dollar allocation would be for the evaluation of the ad

17 campaign.

18 And is the video for the 40,000 something we

19 should add on for the Board meeting?

20 ACTING DEPUTY DIRECTOR WILLD-WAGNER: The video

21 game development.

22 CHAIRPERSON JONES: I'd like the members to at

23 least know about it. You know, I think it's a --

24 COMMITTEE MEMBER PAPARIAN: Yeah, at this point

25 my inclination -- I'd like to learn more. It sounds to me

1 like we're paying $40,000 the equivalent of a start-up
2 idea. And I'm trying to think would we do the same thing
3 in other areas, would we do the same thing in tires, would
4 we do the same with other things? What kind of precedent
5 are we setting there? So I want to think that through a
6 little bit before I commit to that money. I'm not saying
7 I'm against it. I just want to think it through a little
8 bit more and understand it a little bit more.
9 CHAIRPERSON JONES: Okay. You don't have a
10 problem with them bringing it up at the Board meeting
11 though, do you, as a potential idea?
12 COMMITTEE MEMBER PAPARIAN: If we can try to get
13 some more of the questions answered between now and then,
14 but I don't want to put a recommendation on it right now.
15 CHAIRPERSON JONES: Yeah. I'm not, you know,
16 prepared to put a recommendation on any of these right
17 now, because they've got to go to the full Board.
18 MS. YEE: Right. But I will add it on as
19 potentials to discuss at the Board meeting, those extra
20 three contract concepts in addition to what was presented?
21 CHAIRPERSON JONES: (Nods head.)
22 Okay. Do you want to -- I mean, what's your
23 pleasure, Mr. Paparian? We're two out of three. And it's
24 got to go in front of another committee and then in front
25 of the full Board.

1 COMMITTEE MEMBER PAPARIAN: It sounds like even
2 if we were to fund these all, we still have money left
3 over. But it's a continuously appropriated account, so we
4 can spend it or hold it or come up with more ideas later
5 on in the year.
6 MS. YEE: Later on, exactly.
7 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We could
8 certainly come back even with a reallocation item,
9 especially if we get, you know, additional resources.
10 Additional research might show other directions that we'd
11 want to focus.
12 CHAIRPERSON JONES: All right. So --
13 COMMITTEE MEMBER PAPARIAN: Yeah, I'd be
14 comfortable with moving forward all the items except that
15 40,000, with the understanding we would talk about that
16 further at the Board meeting if we wanted to come up with
17 a recommendation.
18 CHAIRPERSON JONES: That's fine.
19 On the advertisement though, I think the 100,000
20 is way too low. I think the advertisement needs to be
21 around 400,000. And I think it needs to be a real
22 comprehensive statewide program. And I think it needs to
23 be bilingual. And I think we've got to start getting the
24 message out in the right way. And I like the idea that
25 we've got some vehicles here to do it.

1 So I mean I'd have no problem with recommending
2 this, but I want to see the advertising up to 400,000.
3 COMMITTEE MEMBER PAPARIAN: That's radio
4 advertising?
5 CHAIRPERSON JONES: That's everything. That
6 Concept Number 39, Attachment 6, talked about radio, TV,
7 California Heartland, the pump signage. So we're looking
8 at about $400,300.
9 COMMITTEE MEMBER PAPARIAN: I'm comfortable with
10 spending a lot more money on advertising. But I think
11 we're waiting to hear back on the comprehensive strategic
12 effort. Frank mentioned that before. I'd like to hear
13 how it's all going to fit together and work before
14 throwing out more -- I'd like to understand how it's going
15 to mesh with what the Public Affairs Office is planning to
16 do in their statewide program. What I'm trying to say is
17 I'm not against it, and I think we may actually need more
18 than that, but I think we should know how it's going to be
19 spent before we add it in.
20 ACTING DEPUTY DIRECTOR WILLD-WAGNER: And like I
21 say, the question is: Are you wanting us to pursue all of
22 the options? There was five options listed, I think, on
23 that advertising contract concept including Heartland.
24 COMMITTEE MEMBER PAPARIAN: I mean if you wanted
25 to put in 300,000, you know, pending review and

1 analysis -- you know, review and approval of the Public
2 Affairs Office marketing -- plan, are you calling it?
3 ASSISTANT DIRECTOR SIMPSON: Our communications
4 plan, communications strategy.
5 COMMITTEE MEMBER PAPARIAN: Communications plan,
6 yeah.
7 I'd be fine with that and have it, you know,
8 clear that that's what we're intending to spend the money
9 on. I don't want to put it out there and give final
10 blessing to it until I see that plan though.
11 CHAIRPERSON JONES: Okay. Well, when is your
12 strategic --
13 ASSISTANT DIRECTOR SIMPSON: We are working on it
14 now. And I'm expecting we should have it in another
15 month.
16 CHAIRPERSON JONES: And that's --
17 ASSISTANT DIRECTOR SIMPSON: We surveyed all the
18 Board members, and we're looking for consensus on where
19 our new strategy should take us, if we should have a new
20 logo, a new look, a new image, are we going to change --
21 we had the logo, 50 percent in 2000. Are we looking
22 forward into the future and trying to come up with another
23 marketing strategy that will take us into the next
24 generation? Those are the things that we all culled from
25 the interviews with each Board member, and that's what

1 we're compiling right now in creating that strategy.
2 CHAIRPERSON JONES: Okay. So, Mr. Paparian, you
3 would be prepared to do what on this advertising? Because
4 I'm not sure -- you want to leave it at a hundred grand
5 and then --
6 COMMITTEE MEMBER PAPARIAN: No, actually it's
7 already around half a million, I think.
8 MS. YEE: No, it's only -- it's right now at
9 100,000 to 200,000. And you can pick your options, like
10 do you want to take Option 1 and 3 or 2 and 5?
11 CHAIRPERSON JONES: Oh, within that -- within
12 that --
13 MS. YEE: Or all of them, and just split the 200.
14 COMMITTEE MEMBER PAPARIAN: How much does it all
15 add up to if you were to do everything in that item?
16 CHAIRPERSON JONES: $400,300 --
17 MS. YEE: About 500,000.
18 CHAIRPERSON JONES: -- not counting the
19 magazines.
20 MS. YEE: Probably a little bit over 500,000.
21 They're each around 100,000 each.
22 COMMITTEE MEMBER PAPARIAN: Okay. I'm sorry. I
23 misunderstood what the item -- I thought the item was the
24 total up here, and that we're allocating for each of those
25 items.

1 Let me understand. You're suggesting fund it at
2 the levels that are suggested in this?
3 CHAIRPERSON JONES: No, I'm saying put $400,000
4 in and let them come back to us with a -- you know, with a
5 bilingual message, you know, how are you going to
6 coordinate this thing. Then we'll end up with a scope of
7 work and contracts or whatever with, you know, whoever we
8 decide. I mean if it's California Heartland, KPIX --
9 whoever the heck the other one -- KI somebody. And then
10 we need to be dealing with the bilingual issues.
11 But at least if we've committed $400,000 to a
12 concise oil message throughout the state that could be
13 tailored within reason to the different regions, I think
14 that's a benefit. And, you know, how they do it, they've
15 got to bring back to us what the scopes of work are.
16 COMMITTEE MEMBER PAPARIAN: Okay. So you --
17 sorry if I'm slow after lunch today.
18 Okay. So what you're suggesting is $400,000 for
19 this --
20 CHAIRPERSON JONES: Category.
21 COMMITTEE MEMBER PAPARIAN: -- for this category.
22 And the Public Affairs Office will come back to us with a
23 recommendation of which of these five items in here,
24 possibly with some modifications to deal with bilingual
25 and other issues that have come up.

1 And I'd just add in there, and show us how it
2 meshes with your strategic plan which is coming out in a
3 month.
4 CHAIRPERSON JONES: Not a problem.
5 COMMITTEE MEMBER PAPARIAN: We're okay. We're in
6 sync now.
7 CHAIRPERSON JONES: But I think that way too then
8 the folks like KVIE and KPIX and all the rest of them know
9 that we've allocated -- we're committing four hundred
10 grand, and I think that's important because then they can
11 get their pencils a little sharper.
12 Okay. So based on that, then -- do we have
13 anything we want to pull off of this thing? I don't. I
14 think I would like to add that discussion about the
15 fleet --
16 MS. YEE: The fleet -- the ad campaign?
17 CHAIRPERSON JONES: The fleet campaign that was
18 pulled.
19 ACTING DEPUTY DIRECTOR WILLD-WAGNER: From the
20 evaluation of the ad campaign. We can --
21 MS. YEE: And so we don't have the video.
22 ACTING DEPUTY DIRECTOR WILLD-WAGNER: And not
23 the video at this point is what I understand.
24 CHAIRPERSON JONES: Right.
25 And we can bring those -- we can do the

1 revisions. Certainly, we'll take input again on it next
2 week at the Budget and Administration Committee meeting.
3 And then we'll make the final revisions to the BAWDS
4 schedule, and the BAWDS noticing by that Friday with these
5 additions for the Board meeting then.
6 CHAIRPERSON JONES: All right.
7 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Okay.
8 Thank you very much. That was a big one.
9 CHAIRPERSON JONES: You have direction from two
10 of us, right? Okay.
11 MS. YEE: Yes. Thank you.
12 CHAIRPERSON JONES: That should suffice.
13 COMMITTEE MEMBER PAPARIAN: Definitely appreciate
14 it. Thank you.
15 All right. Item 40, as you noticed, is the one
16 that will be continued to the Board meeting.
17 Item -- this is the one now where we were going
18 to switch. We're going to move into Item E, Board Item
19 Number 42, which is a discussion of the project timeline
20 for the revision of the five-year plan for the Waste Tire
21 Recycling Management Program.
22 And Martha Gildart will present this item.
23 (Thereupon an overhead presentation was
24 presented as follows.)
25 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

1 Good afternoon, Chairman Jones and Member
2 Paparian.
3 This has gotten a little more complicated than
4 when we first had set about to update you on where we were
5 going with the five-year plan. What I've given you is a
6 handout of some slides that describe what we've done so
7 far under the Board's five-year plan for the management of
8 waste tires, and what we have on our schedule for this
9 year, and then a timeline for the development of the plan
10 itself, and then an overall look at our workload.
11 To start with, in the last fiscal year 2001-2002,
12 which was the first year under the new funding under SB
13 876, we managed to get over $25 million out the door in
14 the form of grants, loans or contracts. We had eight
15 grant programs that were either substantially revised or
16 newly implemented. And we get to look at an additional
17 $28 million for this fiscal year 2002-2003.
18 --o0o--
19 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
20 To start with our accomplishments, I've combined
21 here from the five-year plan the enforcement and hauler
22 programs. We were able to get out the local enforcement
23 grants in two different offerings, but only eight grants
24 were actually awarded. This was one of those programs
25 that was substantially undersubscribed. Out of the $2

1 million allocated for the year, only $764,800 were
2 awarded.
3 If you remember just last month we came forward
4 with a new process to make this a noncompetitive grant
5 offered to the local governments to get them in the door
6 and to get them coming back annually. So we're, as
7 Shirley mentioned earlier in the Deputy Director's report,
8 expecting to encumber the majority of the $4 million
9 available this year.
10 There is the CHP contract which we entered into.
11 And as you heard once again in the Deputy Director's
12 report, there are some results coming in.
13 You heard an update from the Information
14 Management Branch last month on the manifest form
15 development. And one of the projects here that was new
16 and not originally envisioned in the five-year plan was a
17 grant for the California District Attorneys Association to
18 provide legal services to local enforcement grant
19 recipients.
20 --o0o--
21 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
22 Okay. In the remediation program, last year over
23 $6 million was allocated to the cleanup contract, plus an
24 additional $2 million from this fiscal year, and then
25 dollars from out fiscal years, totaling $11 million.

1 We have finished a substantial portion of the
2 cleanup. That first $6 million has been expended.
3 However, we have funds available to us from settlement
4 monies from the lawsuits involved with the principals in
5 the tire fire and the tire pile, which will mean those $2
6 million are not needed this year.
7 We are under a requirement to use the settlement
8 monies first. So there will be about $2 million from this
9 contract available towards the end of the year or at this
10 time even for reallocation.
11 The Tracy tire fire remediation effort had no
12 funds from last fiscal year, but they -- it starts up this
13 fiscal year. So we had already developed the scope of
14 work last year to get it rolling. And it will be coming
15 forward shortly.
16 Short-term remediation is funded at $1.5 million
17 each year. We had several projects. That contract has
18 been let.
19 We had cleanup grants. This was another program
20 that this seriously undersubscribed. We only awarded nine
21 grants, once again in two offerings last year, using
22 $463,00 out of the million available. So the criteria
23 that the Board adopted last month should somewhat simplify
24 the application process, and we're hoping to increase the
25 application rate.

1 The Amnesty Day grants have programs we've been
2 doing for a long time. Last year there was $500,000
3 available. That amount is available again this coming
4 year. We had a contract with the office of the State Fire
5 Marshal. They will be doing both an analysis of tire pile
6 fires, how to prevent, how to fight and how to clean up.
7 And they are doing training with fire departments around
8 the state.
9 And then once again something outside of the
10 direct scope of the five-year plan were the fundings made
11 available to the Department of Toxic Substances and the
12 Regional Water Quality Control Board to assist in the
13 Westley and Tracy cleanups.
14 Under our research program we had several
15 contracts we have awarded in the last fiscal year. There
16 was the increasing the recycled content in tires. The
17 results should be due this coming July.
18 The pyrolysis project was undertaken. And we
19 will be looking at how to carry out that direction.
20 Energy recovery grants, we did get the last
21 fiscal year's money, $411,000 out of 500 encumbered.
22 However, the million dollars for this year will be
23 re-offered through a second cycle.
24 The devulcanization project, once again, was not
25 undertaken, but we will be looking at assignments for

that.

Civil engineering projects: There are two different civil engineering entries in the five-year plan. One is specific research projects done through a series of contracts for services to users of shredded tires as light-weight fill and to the University of California at Davis for a seismicity study of shreds used in surrounding bridge abutments.

We also let a contract to examine increasing the life span of automobile tires to help reduce the generation of waste tires. A contract for recycling fiber and steel within the tires, when they're shredded, what to do with the leftovers. And then a project that, once again, wasn't listed originally in the five-year plan, was to -- well, it wasn't funded; the description was in the plan, but the funding had not been set aside -- was to look at the feasibility of establishing a research center through one of the universities here in California.

--o0o--

SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

In our marketing development program we've let a contract for the Tire Conference with California State University. And we're looking at holding that in the fall of 2003.

We have developed an agreement with California

1 State University Chico to develop a survey on what sort of
2 message and outreach is necessary for communicating to the
3 public how to maintain their tires and dispose of them
4 correctly.
5 A project we did not undertake was the civil
6 engineering grants program. There had been $500,000 at
7 the time aside for that. We are going to be looking at
8 trying to get that going this fiscal year.
9 The very popular playground mat grants, track
10 grants, and commercialization grants, I think you all are
11 very well aware of, consumed a fair amount of money there.
12 We got, what, over almost 60 grants out the door in those
13 three programs.
14 --o0o--
15 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
16 And the rubberized asphalt concrete technology
17 centers have been funded. We awarded two fiscal years'
18 worth of funding so that we don't have to keep coming back
19 annually. There is in addition of funds that were taken
20 from that set of contracts to fund an evaluation of how
21 these centers are performing. As you may remember, we did
22 not get any qualified bids, and the $50,000 from fiscal
23 year 2001-2002 has expired, and we are seeking ways to
24 reallocate funds to that use for this year.
25 Signs at CalTrans along highway projects that

used rubberized asphalt, we have not made any progress on that.

State parks, on the other hand, we entered into an interagency agreement with them for the $200,000 from last fiscal year, plus additional funds this year, to put in rubberized asphalt concrete projects in various State parks.

We have almost completed the subsidy study that was called for in the five-year plan. The final draft will be coming back to the Board in October.

Through the Market Development Division we have done some contracts as a sort of grant program for green building activities. And we did some additional funding at the East End Project.

So that's sort of a snapshot of what was accomplished under the five-year plan last year.

I've got sort of a listing here I want to try to go through rather quickly of upcoming Board actions, to sort of prepare you for what's coming next.

--o0o--

SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

In October we will be presenting the hauler regulations hearing, a public hearing to kick off that process in the hope to get these adopted as quickly as possible so that the manifest forms can be rolled out and

1 required use statewide.

2 We'll be coming back with criteria for the energy

3 grant in October, with a later award scheduled hopefully

4 in March. The playground grant awards will be coming in

5 October.

6 We have scheduled workshops for the five-year

7 plan revision through the month of October. You'll see

8 that in a little more detail in a moment. And as I said,

9 the tire recycling subsidy study will be coming back in

10 its final form in October.

11 In November, we'll be looking at awarding the

12 environmental services contract for the Tracy fire site as

13 well as the larger remediation contract. We will be

14 extending some of the civil engineering incentives efforts

15 through a contract award in November. We are hoping --

16 this is going to take some creativity on our part -- to

17 come up with the criteria to implement the new civil

18 engineering grant program in November. The award then

19 might be scheduled later in the spring, roughly around

20 April.

21 --o0o--

22 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

23 There are separate civil engineering research

24 projects that we are going to be pursuing, some with the

25 university, some with local governments. But the infamous

1 commercialization grant will be coming back to the Board
2 for award in December. MC Day grants also in December.
3 We hope to have the evaluation contract for the rubberized
4 asphalt concrete technology centers out also in December.
5 And perhaps bring back the permitting regulations, the
6 ones that are going to be heard next weak for the close of
7 the 45-day period. There may be additional comments that
8 would require another 15-day public comment period. So
9 those we hope to bring back in their final form in
10 December.
11 Jumping into the new year, we're hoping to be
12 moving ahead on the manifest regs. We will be awarding
13 cleanup grants in February, Amnesty Day grants and
14 playground grants also in February.
15 The track grants will be a bit later, possibly in
16 the March timeframe.
17 We're going to start looking ahead to the next
18 fiscal year, 2003-4, with the commercialization grant
19 program criteria in March. The enforcement grant award,
20 that's this one, the one that was simplified to attract
21 more attendees, applicants, in March.
22 The follow-up to the public service announcement
23 contract, the original contract with Chico, is a survey to
24 determine the appropriate message and media. This
25 contract will be the run that actually carries that out,

1 to implement it. And that should be coming we hope some
2 time around May.
3 --o0o--
4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
5 And then, once again, the next fiscal year's track grants
6 will probably be bringing the criteria in June.
7 --o0o--
8 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
9 So how does that fit in with our five-year plan? As I
10 mentioned, we're going to be doing public workshops with
11 our stakeholders to try and get input on what they think
12 worked and didn't work, what we could do to improve it,
13 where they see this going. And we've got workshops
14 scheduled now here October 1st in Sacramento, October 10th
15 in Van Nuys, October 22nd the Bay Area.
16 After those workshops are concluded through
17 November we will be reviewing comments received, looking
18 at any new data that we have gathered and writing the
19 actual report.
20 Sometime towards the end of December, getting
21 into early January, we'll try and share a draft with the
22 stakeholders, those who have requested, to see if they
23 have any comments, while we begin the preparation for the
24 agenda item that we will be bringing to the Board in
25 February. If all goes well and the Committee and the

1 Board approve the report with whatever revisions in
2 February, then that report will be available to submit to
3 the Legislature in March. We're hoping that will give
4 sufficient time to fold it into the budget-building
5 process.
6 Now, the last slide I have here is not one I
7 actually intended anybody to read. It's more, you can
8 think of it as, sort of art work.
9 --o0o--
10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
11 It's an attempt to show just how ambitious the
12 five-year plan is, how many projects we have undertaken,
13 how many we are in the midst of doing, and what we have to
14 start.
15 If you notice with the grant programs, the ones
16 with little x's and stars on them, they're cyclical. Once
17 we get through the criteria of review and award, the
18 recipient has two years usually to spend the money. And
19 meanwhile we're starting off the next year's review
20 ranking and award. So they build. We'll be running three
21 of these concurrently, you know, that staff have to
22 manage.
23 I couldn't quite figure out how to manipulate the
24 computer to draw a vertical line down through September of
25 2002 and then another line in March 2003. September is

1 where we are today. March is where we hope to be when we
2 finalize the five-year plan. And there's a series of
3 actions that fall between September and March, which mean
4 those activities may not be available for revision or
5 changing in the five-year plan. So a lot of these lines
6 that you see on this table are set.
7 We'll start looking at what does lend itself to
8 alteration for the five-year plan revision, but I wanted
9 to leave you with this sort of image of just how much is
10 out there, how much is going on.
11 And I'll be happy to take any questions at this
12 time.
13 CHAIRPERSON JONES: Mr. Paparian.
14 COMMITTEE MEMBER PAPARIAN: Yeah, it's certainly
15 remarkable the amount of things you've had to accomplish
16 since the adoption of the last five-year plan and getting
17 the money out the door and so forth. And I congratulate
18 you on that.
19 In terms of development of the next five-year
20 plan, somehow I was under the impression it would be more
21 of a work of this Committee in developing and hearing
22 comments on the plan. And it sounds like staff is going
23 in a different direction. I'd just as soon see the public
24 workshops be under the auspices of this Committee. I
25 think there's a lot of interest in the tire program.

1 There may be some controversies involved in the directions
2 that we take and the development of the plan. And I think
3 that having this Committee, you know, not involved from
4 the beginning could create some difficulties later on if
5 we don't see it until it's in a pretty polished form in
6 January or February.
7 CHAIRPERSON JONES: I have no problem with making
8 it as long as, you know, as long as we have members that
9 show up. And I know you show up usually. But I hate
10 going to these things when I'm the only one there.
11 COMMITTEE MEMBER PAPARIAN: I think last time
12 around we had a three-member committee, it was yourself,
13 myself, and Mr. Eaton, that worked on the workshops on the
14 five-year plan. And I thought that was very effective.
15 It was I think a lot of interesting and useful information
16 came out in those workshops. And I think we were able to
17 provide some direction from the Board in the development
18 of that five-year plan.
19 I'm not sure -- we'd have to double check these
20 dates with other dates. I know that on the 22nd of
21 October we have the food residuals workshop, which might
22 conflict. We might have to look at different dates if we
23 did it under the Committee. But I think it would be a
24 good thing. And I think it might actually relieve the
25 staff of some of the burden of, you know, putting on the

1 workshop if we did it under the auspices of the Committee.
2 CHAIRPERSON JONES: Yeah, I mean I'll check with
3 Mr. Eaton and see what he wants to do, but, you know, I
4 think the staff still has the burden of putting it on.
5 It's just we end up showing up. They get a couple more
6 folks there.
7 And I appreciate -- I had asked -- when we talked
8 about this agenda item, I said, you know, it's important
9 that people understand just how much work this division
10 has done. Because sometimes I think that not everybody
11 realizes how much stuff is really put on their plate.
12 I do think though that on that subsidy report,
13 Martha, on your thing here it says "approve." I thought
14 we were just going to accept it.
15 It's just semantics, but I think it would make
16 everybody a little calmer.
17 So if you're going to play it again, you might
18 want to just change that word.
19 COMMITTEE MEMBER PAPARIAN: Yeah, I'm not even
20 sure if it was going to come back to the full Board.
21 CHAIRPERSON JONES: Yeah, I don't think it is.
22 But just in the future, you know --
23 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Yeah, I'll
24 check the transcripts, but I believe that it was we were
25 going to make changes and you were going to --

1 CHAIRPERSON JONES: Accept it.

2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: -- accept

3 it, as you said, not approve it.

4 CHAIRPERSON JONES: That's all.

5 COMMITTEE MEMBER PAPARIAN: As we begin accepting

6 comments on the new five-year plan, one thing I'd love to

7 see is a -- something on our web site where people could

8 provide comments through our web site. If it's difficult

9 for the staff to pursue this, I'd be happy to pursue it

10 through my office. I've seen it done in some other

11 context. And I think the -- it wouldn't be too hard for

12 the IMB folks to put together something like that.

13 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:

14 We do put the notices and drafts on the web. So

15 you want something that's a little bit more interactive

16 where they can then submit changes to the document, or

17 just a series of comments?

18 COMMITTEE MEMBER PAPARIAN: No, comments.

19 CHAIRPERSON JONES: I mean my understanding is

20 that when we negotiated this bill, we said that we would

21 do a five-year plan and that it would be revised or at

22 least reviewed and revised every two years. I don't think

23 we're redoing the five-year plan as much as we are

24 tweaking the five-year plan.

25 So I think it's important that in that context,

1 the workshops are going to be for folks to talk about
2 enhancements or things maybe that we hadn't looked at or
3 anything they want to or what? I mean what's our context
4 for the workshops? What were you envisioning that our
5 context for the workshops would be?
6 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
7 An opportunity for the stakeholders to, you know,
8 let us know what they thought worked and where they saw
9 problems, whether they thought there was an overlooked
10 activity or effort or direction, that kind of thing. It
11 was an attempt to get feedback from the stakeholders. A
12 lot of this is modeled on the efforts we went through
13 under the AB 117 workshops and the 876 workshops and
14 five-year plan workshops, was to, you know, as much as
15 possible, involve the tire industry, the recyclers, the
16 generators, anyone.
17 CHAIRPERSON JONES: Sure. Works for me.
18 COMMITTEE MEMBER PAPARIAN: Yeah, I think that
19 the starting point obviously is the existing five-year
20 plan. And that five-year plan did include spending
21 proposals for the next -- it's three or four years from
22 now. So I would want to comment, I think, on any
23 modifications people would suggest to what's already there
24 in writing in the five-year plan; as well as suggestions
25 for the out years, the 4th and 5th year from now, where if

1 we were to make a matrix in the plan, it would be blank at
2 this point because we didn't have a proposal in the last
3 five-year plan.
4 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
5 Right. As we roll out an additional two years,
6 so instead of 2006, it would go 2008 as our new --
7 COMMITTEE MEMBER PAPARIAN: Yeah, presumably with
8 some differences in the budget numbers. I think it goes
9 down to 75 cents after five years, yeah.
10 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
11 Correct.
12 CHAIRPERSON JONES: Well, and that's part of the
13 evaluation, too. I mean we've done -- at some point, we
14 need to, whether it's in closed session or whatever, talk
15 about that fund balance as far as those -- as far as some
16 of the agreements that we have entered into with some of
17 the responsible parties at Westley, you know, as far as --
18 because those dollars were allocated to clean up. And
19 they were also part of the funding source for DTSC and the
20 Water Board that we did down in -- wherever the heck we
21 were. I don't think it was Pasadena. It was somewhere
22 down south.
23 EXECUTIVE DIRECTOR LEARY: Well, just a brief
24 response.
25 Thankfully those documents are all public

1 information now. So it's -- I mean we really can speak of
2 those settlements rather freely at this point. They've
3 all been approved by the court and entered into judgment.
4 CHAIRPERSON JONES: I wasn't sure where we were.
5 EXECUTIVE DIRECTOR LEARY: But, anyway -- but
6 you're right in terms of the financial resources, how that
7 kind of shifts our perspectives Martha touched on. That
8 money is now available to us. It's not provided by the
9 five-year plan. It partially pays for cleanup activities
10 and can also reimburse the five-year plan, the tire fund
11 for monies we've expended, either through our own efforts
12 or through DTSC and the regional boards. And ultimately
13 becomes more available to make more things happen or a lot
14 more of the same thing happen under the five-year plan.
15 And relatedly, if I might throw in a little bit
16 of two cents here, in kind of the big picture management
17 scheme of things, the tire fund and tire program did not
18 ultimately get all the resources we intended it to get for
19 a number of very good reasons. And at this time of fiscal
20 and resource shortfall in the State administration, I
21 think something we ought to bring to this revision of the
22 five-year plan is consideration of trying to be less labor
23 intensive, less internal resource intensive, and maybe
24 think about activities that will allow for our limited
25 resources to ultimately get the biggest bang for the buck.

1 We were very ambitious in writing that first
2 five-year plan and we spread a lot of money over a lot of
3 different programs. And that may be what the Board
4 continues to want to do. But another alternative way of
5 looking at this might be focusing our efforts on a
6 narrower menu of activities, one, because we think they're
7 more effective but, two, because they're less labor and
8 staff resource intensive, in recognition of the fact that
9 we are still under a hiring freeze, we're looking at
10 position reductions and the situation is not that
11 optimistic into the near future.
12 Anyway, that's --
13 CHAIRPERSON JONES: I would agree.
14 All right. Anything else?
15 Thank you, Martha.
16 ACTING DEPUTY DIRECTOR WILLD-WAGNER: We have
17 one final item for our Special Waste Division.
18 This item is Item D on the Committee's agenda,
19 Number 41 in the Board packet. Consideration of
20 allocating fiscal year 2002-3 tire funds for the
21 evaluation of the Northern and Southern California
22 Rubberized Asphalt Concrete Technology Centers.
23 And Martha will also present this item.
24 SUPERVISING WASTE MANAGEMENT ENGINEER GILDART:
25 This item had been brought to the Board

1 originally as a scope of work back in January to use
2 monies that had been gleaned from the rubberized asphalt
3 concrete technology centers from both last fiscal year and
4 this fiscal year's funding.
5 Because we did not get responsive bids, we were
6 unable to award the contract last fiscal year. So that
7 chunk of $50,000 reverted to the fund and eventually was
8 reallocated. That leaves us with an allocation of $50,000
9 for scope of work that we had estimated at $100,000.
10 So this item is an attempt to come back with a
11 way of adding additional funding to this allocation so
12 that we can then go out with the contract bid and
13 eventually award.
14 There's been a change in the wording. The item
15 did get into the BAWDS system rather late. And we've had
16 some suggested changing in the wording from our
17 administration division. So I want to read the new Option
18 1 into the record, and we'll have the changes in the next
19 issue of the BAWDS agenda.
20 Option 1 now reads:
21 "Reallocate on a one-time basis $50,000 from the
22 fiscal year 2002-2003 administrative budget allocation of
23 the five-year plan to the RACTC evaluation contract
24 allocation."
25 My understanding is that they felt it was more

1 appropriate to specify the pot of money within the
2 five-year plan rather than the specific activity that had
3 been the focus of that money originally. So instead of
4 saying the student assistant contract, it is looking at
5 the administrative budget allocation.
6 That language would also carry forward into the
7 resolution, so that final "Therefore, be it resolved"
8 would read "that the Board hereby approves the transfer of
9 $50,000 from the fiscal year 2002-2003 administrative
10 budget allocation within the five-year plan to augment the
11 evaluation of the Northern and Southern California
12 rubberized asphalt concrete technology centers contract."
13 At this time, I'd be happy to take any questions
14 or direction.
15 CHAIRPERSON JONES: Well, I know Mr. Paparian --
16 this is his item. I have no problem with supporting the
17 evaluation. But why are we taking the money out of -- I
18 don't understand why we would take the money out of our
19 Admin. We're already short people. We've got dollars
20 available from the Westley cleanup site.
21 COMMITTEE MEMBER PAPARIAN: I can help explain
22 that. I think we might have done this in the Admin
23 Committee last couple months ago. Anyway -- correct me if
24 I'm wrong about this, but essentially what we did, we had
25 $50,000 allocated to this item in last year's budget,

1 which we couldn't spend because we didn't get a qualified
2 applicant. We took that money and were able to put it
3 into the student assistant line and, therefore, carry it
4 over in the student assistant line to this year. That
5 made this year's student assistant budget $50,000 more
6 flush. Now we're taking $50,000 from that pot of money
7 and putting it into this proposal.
8 CHAIRPERSON JONES: Okay. But they may be able
9 to use the student assistance. We're going to have $2
10 million available out of the Westley tire fire allocation
11 dollars that aren't going to get spent. So what's the
12 difference? I mean it makes more sense -- I think we're
13 on -- I think we are treading on dangerous ground to take
14 money out of administrative operations and use it -- that
15 pays salaries and use it for a contract.
16 I think that if we have a contract dollar, which
17 is the cleanup of Westley, it's the commercialization
18 grants, it's any of those things, and you move that money
19 around, I've got no problem with that. I'll support that
20 100 percent. But I don't support taking money out of
21 Admin to do a contract. So I mean if you guys want to
22 redo this and, say, pull the money out of Westley, then
23 I'll support that in a heartbeat.
24 COMMITTEE MEMBER PAPARIAN: Is that doable in
25 this item this month?

1 DEPUTY DIRECTOR JORDAN: Certainly.
2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: This is --
3 actually Option 2 does say to be allocated from another
4 tire recycling program. And because of the presentation
5 that Martha did that shows that there's an additional $2
6 million in the Westley tire cleanup allocated in the
7 five-year plan, we could adopt Option 2 with the
8 specification that it come from the Westley tire
9 allocation in the five-year plan.
10 COMMITTEE MEMBER PAPARIAN: Okay. And we can do
11 that and move the item forward this month?
12 ACTING DEPUTY DIRECTOR WILLD-WAGNER: (Nods
13 head.)
14 COMMITTEE MEMBER PAPARIAN: That's fine with me.
15 CHAIRPERSON JONES: Okay. Yeah, I mean I just --
16 I had no problem with your evaluation. In fact, I
17 actually took this course down in Santa Barbara two weeks
18 ago. And I had to make a public apology -- not a public
19 apology. I was furious at L.A. County because they
20 wouldn't tell us who was running the L.A. County Tech
21 Center when they wanted the allocation. All I wanted to
22 know is if people were committed. I met three of them;
23 they are not only committed, they are professionals. And
24 I sat through that entire class and learned that we
25 shouldn't give money to the AG to put a parking lot down

1 of rubberized asphalt because it's just going to pull it
2 up, but that was the old AG.
3 But I learned something. I always learn
4 something, it seems like. I feel much better about who
5 their audience is, because it's not just public works
6 directors. It's foremen and it's people on the equipment.
7 And they're making them aware of how you lay down
8 rubberized asphalt. And their 55 students and 14
9 presenters. It was awesome.
10 So I have no problem with supporting your thing
11 if we can take it out of the Westley tire money.
12 COMMITTEE MEMBER PAPARIAN: Okay. I think we
13 heard we can do that. So I'd like to make the motion to
14 do so, with the change that would come of that account
15 instead of the one that Martha read.
16 CHAIRPERSON JONES: I'll second.
17 Go ahead, Jeannine, just for the heck of it, call
18 the roll.
19 SECRETARY BAKULICH: Paparian?
20 COMMITTEE MEMBER PAPARIAN: Aye.
21 SECRETARY BAKULICH: Jones?
22 CHAIRPERSON JONES: Aye.
23 Okay.
24 ACTING DEPUTY DIRECTOR WILLD-WAGNER: So this
25 one can go forward to the Board then, correct, with --

1 CHAIRPERSON JONES: With fiscal consensus.
2 ACTING DEPUTY DIRECTOR WILLD-WAGNER: Thank you
3 very much.
4 CHAIRPERSON JONES: Next.
5 Let's take 10-minutes -- we're going to take a
6 10-minute break before we get on to our next part, which
7 is our waste prevention folks. So we'll take 10 minutes.
8 (Thereupon a brief recess was taken.)
9 CHAIRPERSON JONES: Okay. We're going to
10 continue at this time with Waste Prevention and Market
11 Development.
12 Mr. Paparian, any ex partes?
13 COMMITTEE MEMBER PAPARIAN: None.
14 CHAIRPERSON JONES: Okay. I have one with Mr.
15 Larson about some equipment issues.
16 Go ahead, Ms. Wohl.
17 DEPUTY DIRECTOR WOHL: Good afternoon. Patty
18 Wohl, Waste Prevention and Market Development Division.
19 I'd like to just do a brief report and talk to
20 you a little bit about the draft plastics white paper and
21 the polystyrene report. Draft copies of the white paper
22 have been delivered to the Board members and the exec
23 staff, an executive summary of that. So you have that in
24 your hands as we speak.
25 As you'll remember, this was a partnership with

1 the Waste Board and the Department of Conservation. And
2 the contractor was the New Point Group.
3 In addition, they are working on a polystyrene
4 report that should be out in the next week or so. This
5 was a legislative report pursuant to SB 1127, Karnette
6 bill. And both reports will be available on the plastics
7 web site shortly. And the polystyrene report examines the
8 use, reuse, recycling, and disposal of polystyrene in
9 California.
10 There's going to be an interested parties meeting
11 on this particular subject on September 26th from 9:00 to
12 12:00 in the Sierra Hearing Room, and so we invite you to
13 attend.
14 And then the draft reports will be discussed at
15 the October 7th Special Waste and Market Development
16 Committee. And then we'll bring the final report to the
17 Board at the December 2nd Committee and the December 10th
18 Board meeting. So there's an opportunity still to get
19 public comment and input before we finalized that report.
20 And then I just wanted to mention that in
21 addition we have a special committee meeting of this group
22 on September 25th at 9:30 with the zone administrators.
23 And they're going to go over such things as sort of the
24 successful ventures of the RMDZ program during its first
25 10 years, and some of the challenges and opportunities and

1 ways we can look to improve. So it will be kind of a give
2 and take between the Committee and the zone
3 administrators.
4 So with that we'll go ahead and start.
5 CHAIRPERSON JONES: No, hold on one second.
6 COMMITTEE MEMBER PAPARIAN: Just one quick
7 question.
8 The plastics white paper, is that available on
9 the web site?
10 DEPUTY DIRECTOR WOHL: We're still working with
11 IMB to get it on. But, yeah, we're going to have both the
12 plastics white paper and the polystyrene report on the web
13 site.
14 COMMITTEE MEMBER PAPARIAN: I had a couple
15 questions about it for people who wanted to look at it.
16 But -- you think it'll be up in the next week or so?
17 DEPUTY DIRECTOR WOHL: Yes.
18 COMMITTEE MEMBER PAPARIAN: Thanks.
19 CHAIRPERSON JONES: Okay. Then we're on to H,
20 consideration of the Recycling Market Development
21 Revolving Loan Program Leveraging Options. And this is
22 September Board Item Number 44. And Jim La Tanner will
23 present.
24 (Thereupon an overhead presentation was
25 presented as follows.)

1 MR. LaTANNER: Jim La Tanner, Supervisor of the
2 Recycling Market Development Revolving Loan Program.
3 I have a short PowerPoint. What I tried to do is
4 take the agenda item and take it down roughly about eight
5 slides.
6 Next, please.
7 --o0o--
8 MR. LaTANNER: The purpose of this agenda item is
9 to brief the Board members on staff's analysis of the
10 Milken Institute leveraging study, which was quite length,
11 and then staff's recommendations on two of the leveraging
12 options.
13 --o0o--
14 MR. LaTANNER: This started back in May '96 when
15 we presented the annual project eligibility and included
16 some Excel projections showing the subaccount for the loan
17 program and the decline of available funds over the next
18 several years.
19 At the Board meeting in September 2000 we
20 discussed ways to leverage the loan program, followed by
21 February 2001, at which time the Board approved the Milken
22 Institute to perform the leveraging study. Subsequently,
23 we discussed at the Special Waste and Market Development
24 Committee in August 2002 where Milken presented their
25 actual study.

1 --o0o--

2 MR. LaTANNER: Basically, in the Milken Institute
3 study there are four leveraging options. The new market
4 tax credit proposes using a new federal treasury program
5 that is still being developed, whereby they would allocate
6 tax credits to community development entities for
7 taxpayers to invest their money in exchange for a
8 seven-year tax credit.

9 The final deadline for the first year of
10 allocations the CDE's had to submit was about a week go.
11 What is unknown is to how many CDE's are applying for the
12 credits, how many taxpayers are out there, how much funds
13 they've got to invest in them. And staff's analysis shows
14 that if we do this, loans would be available through
15 community development entities at market rates.

16 The second leveraging option is a combination of
17 equity equivalent and program related investment, which is
18 primarily banks and foundations in investing in certified
19 development financial institutions that would make the
20 loans at market rates. Staff's analysis is that there are
21 not CDFIs located in all of the 40 zones. Again, those
22 loans would be made at market rates.

23 The third leveraging option is the loan guarantee
24 program offered through the California Technology Trade
25 and Commerce Agency, proposes that the Board put money in

1 that structure. And there's two different ways to do
2 that. One is using regs to invest $3.5 million annually
3 in the small business expansion fund, making the money
4 available to all 11 FDCs. The other way to do it is avert
5 trade and commerce and invest directly in the specific
6 financial and development core that actually want to
7 participate in our program. And most, if not all, of them
8 want to do that. Those loans would be made at market
9 rates.
10 The fourth Milken option was a loan sale. In the
11 Milken report itself it proposes primarily a recycling
12 asset loan sale whereby the Board and an outside lender
13 would jointly fund a loan, the Board would purchase that
14 outside lender's portion, turn around and then sell it.
15 That concept in staff's opinion is sort of convoluted.
16 And the Milken study did not go into much detail on two
17 other types of a loan sale.
18 Community Reinvestment Fund has a current program
19 that we don't participate in, whereby we could sell them
20 the loans one by one, as the Board approves them, and they
21 would fund 100 percent of it.
22 Also, the Milken report didn't go into any detail
23 on doing a bulk sale of loans that the Board did do awhile
24 ago.
25 Next slide.

1 --o0o--

2 MR. LaTANNER: Basically, what we tried to do
3 after the Committee was to come up with some projections.
4 And in the agenda item itself there's a number of
5 attachments. We tried to take the subaccount and project
6 it out over 15 years; first, because loans are 15 years
7 long; second, because if we just do a bulk sale of loans,
8 by then the loans would pay off and there would some
9 residual coming back if there's no loan losses.
10 There's basically six scenarios as to how to
11 leverage the loan program. One is the individual loan
12 sale. In just preliminary verbal conversations with CRF,
13 wouldn't cost the Board anything to do. The loans would
14 be at market rate, the Board would approve them, the
15 borrower would open escrow. But CRF would fund them in
16 its entirety, the Board would earn the loan application
17 fee and the points and CRF would then own the loan.
18 The second scenario is by itself a loan
19 guarantee. If the Board puts 3.5 million for investment
20 in the State Loan Guarantee Program, we have that much
21 available on an annual basis for six years. The average
22 FDC loan through a bank is generally five to seven years.
23 If those pay off, the money becomes available and it can
24 be re-encumbered a second time, would make over 186
25 million available in bank loans.

1 The third scenario is a combination of "you sell
2 loans" and use that money to do a guarantee.
3 The interesting thing when I came up with those
4 projections is the Board has one source of funds to do
5 leveraging with and that's the future income of the
6 outstanding loans plus the loans that we make. Those
7 loans if we don't do anything the Board will collect 36 --
8 roughly 36 million over 10 to 15 years. Or you do a bulk
9 sale, and you can collect the money all up front. But
10 there's a cost of doing the bulk sale.
11 Under both scenarios, whether you sell the loans
12 and keep it up front, you still only need to allocate
13 roughly 3.5 per year to the FDCs. You wouldn't really
14 want to give them all 28 or 30 million up front. Both
15 scenarios, whether you do the sale or you just take it in
16 the subaccount, come out to the same figures as to how
17 much is available.
18 The difference is -- if you do the bulk sale,
19 there's a discount because our interest rate on the loans
20 is less than what CRF would normally buy them at for
21 investors -- is the Board would take a discount of the
22 1,850,000, which is like a net present value, a factor of
23 getting the money up front.
24 The fourth scenario is you do a bulk sale. You
25 only invest one time 3.5 million into the loan guarantee

1 program and retain the balance of the funds to make RMDZ
2 loans.
3 The fifth one is the bulk sale, only used for the
4 loan program itself. And you don't leverage the money.
5 And the sixth scenario we put in there to show if
6 you do nothing.
7 And next slide.
8 --o0o--
9 MR. LaTANNER: What we found is if you do an
10 individual loan sale, it allows outside investors to fund
11 100 percent of the loan at inception at no cost to the
12 Board. That's under one scenario as proposed by CRF.
13 If you do the loan guarantee for 15 years, the
14 Board invests three million five per year for six years.
15 And then the money revolves.
16 The bulk sale for 15 years provides 12 million up
17 front now from the sale for actually any of the leveraging
18 options that the Board chooses. The bulk sale for loans
19 in one year guarantee would only make 3.5 million
20 available to roughly 11 FDCs on a one-time basis. That
21 money might be used up pretty fast. The bulk sale does
22 provide the large amount of funds up front though. There
23 is an advantage for that.
24 Next slide.
25 --o0o--

1 MR. LaTANNER: If you don't leverage -- and I'm
2 not going to put up the projections because they won't fit
3 on that screen -- the amount of funds available will
4 decrease over time and eventually dry up.
5 We did not do any further analysis on the new
6 market tax credit other than contacting the community
7 entities in the state, that are only local community
8 entities. They're not in all of the zones. It's a very
9 new concept. Some of the financial development core that
10 do the state loan guarantee program are interested in the
11 new market tax credit, but they're going to wait one year
12 to see how the program is done.
13 The equity equivalent in program-related
14 investment, there is not much analysis in the Milken study
15 to explain how many -- how much funds would be available,
16 nor how many of the CDFIs are actually making loans to
17 for-profit businesses that are interested in recycling.
18 Next slide.
19 --o0o--
20 MR. LaTANNER: I know it's hard to read, but I
21 wanted to put one of these up -- tries to show the math on
22 the six options.
23 The actual chart goes out 15 years. And you
24 really need to look at the whole 15-year picture to see.
25 The math is up there. It depends which option the Board

1 wants to do.

2 What's not on any of these charts that's included

3 in the item is the loan program itself is not self

4 revolving. None of the options other than a bulk sale

5 actually put money into the subaccount.

6 We're at a turning point with the loan program.

7 But to continue to make 10 million available per year to

8 recycling businesses, we need to leverage their funds in

9 some manner.

10 Next slide.

11 DEPUTY DIRECTOR WOHL: I think this is Jim's

12 version of art work.

13 (Laughter.)

14 --o0o--

15 MR. LaTANNER: That's the short one.

16 What we're asking for in this agenda item is two

17 things: We're asking to go out to bid both for a bulk

18 loan sale and an individual loan sale and find out who out

19 there is interested in actually buying loans, either as a

20 one-time shot of a portion of the portfolio or on a

21 one-by-one basis.

22 We know that there's more entities out there than

23 the community reinvestment fund, that the market is

24 actually broader than that and has increased since the

25 last loan sale. So let's go out to bid, let's get all the

1 bids, and come back to the Board and put it up on an
2 easier spreadsheet and say, "Here's who's willing to buy
3 them and here's the price."
4 In the Milken report they allude to the fact that
5 the average weighted interest rate on the outstanding
6 portfolio is 5.37 percent, which is higher than the prime
7 rate of four seven five. Therefore, in theory we should
8 be able to break even or make a profit.
9 So let's go out to bid and find out who's
10 actually going to do that. The second item, B, that staff
11 is asking for is to give Board direction to prepare an
12 agenda item to negotiate with either trade and commerce or
13 their association of regional corporations to get a
14 detailed plan -- deadlines, tasks, and how much it would
15 take to actually get involved in the state loan guarantee
16 program.
17 Of the 11, the financial development core
18 actually issuing state loan guarantees, most are
19 interested in participating with us. They all currently
20 make loans to for-profit businesses. They've been doing
21 it for 25 years. Their default rate is basically the same
22 as ours, less than 1.5 percent. And they cover the entire
23 state.
24 Next slide.
25 --o0o--

1 MR. LaTANNER: Any questions?
2 CHAIRPERSON JONES: Mr. Paparian.
3 COMMITTEE MEMBER PAPARIAN: Just one.
4 In the agenda item, there's a -- halfway down
5 Page 44-3, it says, "The Board should be aware that staff
6 has not requested Legal Office to analyze the Board's
7 statutory authority to undertake any of these options
8 except loan sales."
9 I just want to make sure. The Option A is the
10 loan sales. So you're saying that the Legal Office has
11 reviewed that and is comfortable with our legal authority
12 there?
13 STAFF COUNSEL BLEDSOE: Michael Bledsoe for the
14 Legal Office.
15 On a straight loan sale the answer is, yes.
16 There's a statute that actually clearly gives us the
17 authority to sell these RMDZ loans.
18 When it's tied to a loan guarantee program,
19 however, we would reserve judgment until looking at that
20 particular aspect of the program.
21 COMMITTEE MEMBER PAPARIAN: Okay. So the first
22 half of the staff recommendation Legal Office is fine
23 with. And then in the second half, the loan guarantee,
24 they're suggesting developing an agenda item to explore
25 that further. Then the Legal Office would be involved in

1 the development of that to assure that?

2 STAFF COUNSEL BLEDSOE: Yes.

3 MR. LaTANNER: So what the Legal Office needs for

4 the loan guarantee is how would the money flow and how

5 would it come back? Is it through trade and commerce,

6 through an interagency like we did with a Cal Cap, or in

7 the small business expansion fund, or individually with

8 the FDCs? And we haven't asked the Legal Office to look

9 at it in that aspect.

10 CHAIRPERSON JONES: So that's the issue? Because

11 we do a loan guarantee program now, right? We fund a

12 loan -- didn't we put money --

13 MR. LaTANNER: We placed money with the

14 Treasurer's Office in the Cal Cap program. And that's in

15 statutes to participate in that program. There isn't

16 anything specifically in statutes to do an interagency

17 with trade and commerce.

18 CHAIRPERSON JONES: Okay. Because we are

19 doing -- we did fund that to what, a million bucks or

20 something?

21 MR. LaTANNER: Five hundred thousand went to

22 the --

23 CHAIRPERSON JONES: Five hundred thousand?

24 MR. LaTANNER: Right.

25 CHAIRPERSON JONES: So that -- that was a loan

1 guarantee. But that's specifically --

2 MR. LaTANNER: Well, that was actually a loan

3 default insurance. It was not the loan guarantee program.

4 CHAIRPERSON JONES: Okay.

5 DEPUTY DIRECTOR WOHL: We're not saying that

6 Legal has an issue. We just haven't explored it yet. We

7 wanted to sort of have the option be one that you

8 recommended before we started spending a lot of time

9 working on the solution and how that might work.

10 CHAIRPERSON JONES: Okay.

11 Anything other questions? Comments from anybody

12 from the public?

13 I don't know. For me I think that the two staff

14 recommendations make sense. I think we do have to do

15 these things, you know. And I mean I'd be prepared, you

16 know, to move the resolution that we recommend to the

17 Board that we do your two options.

18 This thing's about an inch thick. I've got to

19 find the resolution.

20 COMMITTEE MEMBER PAPARIAN: It's Resolution

21 2002-473.

22 CHAIRPERSON JONES: Okay. Do you want to make

23 it?

24 COMMITTEE MEMBER PAPARIAN: Sure. I'll move it.

25 CHAIRPERSON JONES: And I'll second it with those

1 two.

2 Go ahead and call the roll.

3 SECRETARY BAKULICH: Paparian?

4 COMMITTEE MEMBER PAPARIAN: Aye.

5 SECRETARY BAKULICH: Jones?

6 CHAIRPERSON JONES: Aye.

7 So we can move this to the full Board with the

8 recommendation from the two members on those two options.

9 And I think we need the highlight.

10 DEPUTY DIRECTOR WOHL: Okay. You don't want to

11 put it on consent? That's what I was wondering --

12 COMMITTEE MEMBER PAPARIAN: No, I don't -- yeah,

13 I think the Board should hear this.

14 CHAIRPERSON JONES: I think it should be quick.

15 I mean I think what you did here should be pretty

16 sufficient.

17 DEPUTY DIRECTOR WOHL: Okay.

18 CHAIRPERSON JONES: I do think we do need to

19 bring up that item, like you did -- or like Mr. Paparian

20 did, about when the Legal Office is going to -- you know,

21 if they get this direction from the Board, look at the

22 legal aspects. But I would like you to at least talk

23 about the loan default and loan guarantee. They probably

24 are a little different, but they're not -- I mean how

25 different can they be? A loan guarantee is if they're

1 going to default, right?

2 MR. LaTANNER: You can use a combination of them

3 too. The loan default is a borrower goes to a bank. The

4 bank says, "We really don't want to make the loan." But

5 if you buy loan default insurance, then the Cal Cap raises

6 the funds to cover the loss.

7 The loan guarantee is the borrower goes to the

8 bank, and the bank says, "You know, you're not quite

9 really bankable, but why don't you get the State to

10 guarantee 90 percent of it."

11 CHAIRPERSON JONES: Right. Okay.

12 And that 3 1/2 million, would it need to be

13 continually appropriated from our fund, or whatever

14 dollars weren't utilized would stay in there and we'd have

15 to augment it, or what would we do?

16 MR. LaTANNER: Well, there's several ways to do

17 that. Our preference naturally would be to encumber it,

18 keep it in the subaccount, and make it available as -- on

19 a per-guarantee basis as they issue it.

20 CHAIRPERSON JONES: Okay. And then as they pay

21 off their loans or -- there must be a point where that

22 guarantee becomes a released asset, right?

23 MR. LaTANNER: Right. They're generally five to

24 seven year guarantees.

25 CHAIRPERSON JONES: All right. So that needs to

be part of the presentation too at the time?

MR. LaTANNER: That's right.

DEPUTY DIRECTOR WOHL: In fact, that's why we put in one of the recommendations that you do a one-year guarantee. Instead of committing 3.5 million out for six years, let's do it once and see what it pays off, so that we can get a picture. And as soon as we get the 12 million worth that comes in, then we can reallocate at 3.5 so it could be more of a as-needed basis.

CHAIRPERSON JONES: Right. Or if the RMDZ zone administrators need that as a tool, commit to 3.5 but commit some time, that we'll do it for the next three years or something -- I mean it would be pretty tough to tell them to go out and try to solicit this business if they only got a one-year commitment from the Board.

DEPUTY DIRECTOR WOHL: Yeah, we could have it for several years until it's used up.

CHAIRPERSON JONES: Right.

Okay. And then I think that the Committee members and the public should realize that none of the funding options provided in the long-term options provide long-term sustainability. So when we revisit loan eligibility, we need to look at -- you guys need to be thinking about application fees and points and interest rates and what the Board's match is and the current loan

1 maximums and things like that, so that -- prepare an item
2 for us that fully would encompass not only the leveraging
3 options, but what we currently do.
4 And then I know if we do a loan sale, an
5 individual loan sale, if we opt, that that becomes a --
6 you know, I mean we've said go ahead and explore it. It
7 would -- clearly these items have to be discussed at that
8 same time, right? Because if we do a blend, if we say,
9 no, you know, we're going to -- everything is going to be
10 based on us making the loans but somebody buying them
11 immediately, I think we need to have that text.
12 DEPUTY DIRECTOR WOHL: Sure, we could try and
13 coordinate those items, so we'd bring them back at the
14 same time.
15 CHAIRPERSON JONES: Okay. Is that good?
16 COMMITTEE MEMBER PAPARIAN: Yeah.
17 CHAIRPERSON JONES: Okay.
18 And then -- God, it's come into my head twice and
19 I forgot it. I'll think about it later and I will tell
20 you.
21 But it was an issue about this leveraging, but
22 that's all right. Old age.
23 Thank you, Mr. La Tanner. We appreciate it.
24 Next, Patty.
25 DEPUTY DIRECTOR WOHL: Okay. Agenda Item I,

1 consideration of the 2002 Waste Reduction Awards Program
2 (WRAP) winners. And this is September board Item 45.
3 And Piper Miguelgorry will present.
4 MS. MIGUELGORRY: Good afternoon, Mr. Chair and
5 Mr. Paparian.
6 The WRAP program recognizes the voluntary waste
7 reduction efforts of California businesses and nonprofits.
8 2002 marks the 10th year of the WRAP program's existence,
9 since 1993. Thirteen of our proposed winners have been
10 WRAP recipients since the beginning of our program.
11 Applicants may apply as individual businesses or as an
12 applicant representing multiple locations throughout the
13 state.
14 Improvements are made annually to the
15 application. And it's important to note that stronger
16 emphasis this year has been placed on qualitative
17 responses regarding waste reduction activity. We're
18 looking now more closely to how a business performs as
19 opposed to just that, the business does perform a waste
20 reduction activity.
21 We also have on line available to our businesses
22 the application in both Apedia and a Word version format,
23 minimizing our paper use, and, thirdly, of course we have
24 the hard copy WRAP application.
25 This year on the Board's web we have available to

1 the businesses a resource guide. And we found this to be
2 very helpful to our businesses, as it provides links to
3 the resource efficiency topics that are referenced in the
4 application. In addition, there are individual responses
5 to each and every application question.
6 The WRAP program proposes 2,154 winning
7 businesses for WRAP designation this year.
8 We have received 345 individual applications,
9 within which some of those have been disqualified due to
10 either late application submissions, a low score, missing
11 required elements, or they were ineligible.
12 The proposed winner list was referred to all the
13 Board's regulatory programs. All potential issues have
14 been resolved except for a submission of forms required by
15 the plastic trash bag program for the Safeway and VONS
16 affiliation. Although this issue is currently
17 outstanding, we hope to have the issue resolved quickly.
18 And Board members may opt to choose Option Number
19 2 in the item, which would accept the qualified proposed
20 winner list and temporarily suspend the award to the
21 Safeway/VONS until such time as the regulatory plastic
22 trash bag program issues are resolved to their
23 satisfaction before the January 1st, 2003 date.
24 Bill Orr is here to address any specific
25 questions you might have on that program.

1 And I'll be happy to respond to any questions you
2 may have.
3 CHAIRPERSON JONES: Mr. Paparian.
4 COMMITTEE MEMBER PAPARIAN: Is it possible you
5 might have resolution of those issues before the Board
6 meeting?
7 MS. MIGUELGORRY: It's my understanding that
8 there is. Again, I would like to defer to Mr. Orr.
9 We had on the original submission of the item to
10 BAWDS we had noticed that Albertsons and Safeway were in
11 the same category. But the Albertsons issue has been
12 resolved. So to my knowledge I don't see any problem with
13 Safeway doing the same.
14 COMMITTEE MEMBER PAPARIAN: Okay. I don't need
15 to know the details of it now. But I think that your
16 Option 2 that you suggested would be the appropriate one.
17 And if you have no questions, Mr. Chair, I'll go
18 ahead and move that we support Resolution 2002-474, with
19 the Option that Piper read.
20 CHAIRPERSON JONES: Okay. We have to do it a
21 little -- Mr. Block, we have an issue with one of our
22 members having stock in a company.
23 STAFF COUNSEL BLOCK: Actually, since that member
24 is not present today, you can move this forward.
25 CHAIRPERSON JONES: Okay. But it's going to go

1 on consent.

2 STAFF COUNSEL BLOCK: It'll go on consent. And

3 then he'll end up having to -- he'll actually -- Elliot

4 Block from the Legal Office.

5 We'll explain at the Board meeting. But you can

6 go ahead and put it on consent without --

7 CHAIRPERSON JONES: Can we do the two motions so

8 we can vote on one?

9 STAFF COUNSEL BLOCK: You mean to hold the roll

10 open?

11 COMMITTEE MEMBER PAPARIAN: How about if we move

12 it forward not on consent, and you sort it out between now

13 and then. But what we actually need to vote on, I think

14 it would be a pretty quick vote.

15 CHIEF COUNSEL TOBIAS: I didn't understand that,

16 Mr. Jones. Were you saying two motions on this with just

17 the one that's a problem?

18 CHAIRPERSON JONES: We can do one without

19 Cisco --

20 CHIEF COUNSEL TOBIAS: Sure, you could do that.

21 CHAIRPERSON JONES: -- on Mr. Paparian's Number

22 2, present that for consent, and then have the other one

23 including Cisco, and Mr. Eaton will have to abstain. And

24 that'll get it done.

25 COMMITTEE MEMBER PAPARIAN: Yeah, if that other

1 issue is resolved or turned down, we might want to pull it
2 off consent and cleanup that resolution too. But --
3 CHAIRPERSON JONES: Yeah, let's hold it for the
4 Board then and figure it out.
5 DEPUTY DIRECTOR WOHL: Well, the option sort of
6 says as long as it's resolved by then, it's okay. And so
7 if it's resolved, the option still --
8 COMMITTEE MEMBER PAPARIAN: We'll do it the way
9 you suggested. We'll move it forward -- do you need to
10 explain --
11 STAFF COUNSEL BLOCK: Okay. It will still be the
12 one resolution, but you'll just have two votes. And the
13 first vote will be to adopt the resolution for all of the
14 companies with the exception of Cisco Systems. And then
15 the second motion would be to adopt the resolution for
16 Cisco Systems.
17 COMMITTEE MEMBER PAPARIAN: Okay.
18 STAFF COUNSEL BLOCK: And then with the full
19 group to be on the consent agenda and the --
20 CHAIRPERSON JONES: With the full group --
21 DEPUTY DIRECTOR WOHL: Both on consent and Mr.
22 Eaton will abstain from one.
23 CHAIRPERSON JONES: Right.
24 So should we call it 474A&B?
25 CHIEF COUNSEL TOBIAS: Yeah.

1 CHAIRPERSON JONES: Okay. How about if we do
2 this -- go ahead. Do you want to do that and just -- 474A
3 will exclude Cisco?
4 COMMITTEE MEMBER PAPARIAN: Right. So I make
5 that motion.
6 CHAIRPERSON JONES: I'll second.
7 Take a vote.
8 SECRETARY BAKULICH: Paparian?
9 COMMITTEE MEMBER PAPARIAN: Aye.
10 SECRETARY BAKULICH: Jones?
11 CHAIRPERSON JONES: Aye.
12 COMMITTEE MEMBER PAPARIAN: And the second one
13 would be 2002-474B with Cisco.
14 CHAIRPERSON JONES: I'll second.
15 SECRETARY BAKULICH: Paparian?
16 COMMITTEE MEMBER PAPARIAN: Aye.
17 CHAIRPERSON JONES: We'll substitute the previous
18 roll.
19 Thanks, Jeannine.
20 SECRETARY BAKULICH: You're welcome.
21 CHAIRPERSON JONES: We'll substitute the previous
22 role, with no objection. We'll put them both on consent.
23 And we'll identify one with Cisco. "A" is without Cisco.
24 "B" is with Cisco. If you could just have that for us.
25 And before we get to the next item, Piper, you're

1 doing a great job on the WRAP awards. I'm glad you're
2 looking at what they're doing, because I hate giving WRAP
3 awards to people that get 800 pounds of credit for a
4 pallet.
5 MS. MIGUELGORRY: Thank you.
6 Yes, we were fully aware of that. Thank you.
7 CHAIRPERSON JONES: We were giving those out.
8 MS. MIGUELGORRY: We were very tough this year.
9 DEPUTY DIRECTOR WOHL: Okay. Agenda Item J,
10 presentation of preliminary findings from the "Survey of
11 Local Government Electronics Recycling Services" conducted
12 through the Products Stewardship Support Project. And
13 this is Board Item number 46.
14 And Jeff Hunts will present.
15 MR. HUNTS: Good afternoon, Board Members. I'm
16 Jeff Hunts, Supervisor of the Business Waste Reduction
17 Program within the Waste Prevention and Market Development
18 Division.
19 For the past year and a half approximately
20 California communities have been scrambling to establish
21 collection and diversion opportunities for unwanted or
22 obsolete CRTs, or cathode ray tubes. CRTs are the picture
23 tubes within most televisions and computer monitors. And
24 due to their high lead content, they may not be disposed
25 of in municipal landfills, as clarified by Department of

1 Toxic Substances Control in March of last year.

2 Additionally, a rising tide of discarded

3 miscellaneous electronic products from computers to cell

4 phones is presenting special waste management challenges

5 for local government at a time when budgets are barely

6 supporting expansions in services.

7 At the beginning of this year the Waste Board

8 embarked on a product stewardship support project to

9 assess costs and concerns being faced by locals as they

10 begin to develop programs and infrastructures to manage

11 this E-waste. The information collected through this

12 effort, which was garnered through a combination of survey

13 mechanisms, workshops, and focus groups, is intended to

14 support the Board's participation in national dialogues on

15 the subject of product stewardship, specifically the

16 National Electronics Products Stewardship Initiative, or

17 NEPSI.

18 The information may also play a useful role in

19 addressing California's specific needs whether or not the

20 CRT legislation now on its way to the Governor's desk

21 becomes law.

22 Mr. Ed Boisson of Boisson and Associates, our

23 contractor on this project, is here today to provide the

24 Committee with an overview of the preliminary findings of

25 these efforts, specifically focusing primarily on the

1 survey results. And I provided you with a copy of his
2 slides and the draft report that his presentation will
3 cover.
4 (Thereupon an overhead presentation was
5 presented as follows.)
6 MR. BOISSON: Well, good afternoon. It's nice to
7 be back working with the Board after eight years. I was a
8 staffer with the Board in the early nineties. So I've
9 enjoyed working with Mr. Paparian's staff and also Jeff
10 and his staff.
11 Jeff has covered much of this first slide. This
12 is just an overview of the Product Stewardship Support
13 Project. Again, the purpose has been to support the
14 Board's ongoing involvement in NEPSI and other initiatives
15 involving E-waste.
16 What we've already completed and is on your web
17 site are product stewardship issue overviews, sort of an
18 overview of what product stewardship is, some examples of
19 how it's playing out around the country and the world; a
20 resource guide, links basically.
21 We did two workshops back in May. I have one
22 slide. And I'll give you a quick overview of some of the
23 themes that came out of that. And then again I'll focus
24 on the survey that we just completed.
25 And still coming over the next couple of months

1 will be some outreach to industry, sort of to complement
2 the work we've been doing with local governments. And
3 we're coordinating with NEPSI and some other efforts on
4 that.
5 And then, finally -- the final report will
6 include some recommendations for future product
7 stewardship efforts that the Board may wish to undertake.
8 An we'll probably be focusing on universal wastes on that,
9 trying to learn from the lessons of NEPSI and other
10 initiatives.
11 --o0o--
12 MR. BOISSON: The workshops we held were back in
13 late May. They were specifically for local government
14 representatives. We had about 100 of them attend two
15 workshops. We had about 30 or 40 other types of
16 stakeholders as well.
17 It was a very vocal group. I'm sure you've heard
18 most of the themes that I'm about to go through. But the
19 purpose of the exercise I think, among others, was to just
20 document them. And these are things we heard I think very
21 loud and clear.
22 First, was the notion that California's situation
23 in regards to CRTs and, more broadly, E-waste management,
24 is very unique and it's urgent. And of course that goes
25 right back to the policy clarification from last summer

1 that effectively led to a ban and a need to develop
2 programs in the middle of a budget cycle. So we heard a
3 lot about that.
4 A lot of concern that costs are increasing. And
5 a lot of this went back to immediately after the toxics
6 agency's policy announcement, the CRT processing costs
7 spiked. They've since come down a little bit, from what I
8 can tell. But there's a lot of uncertainty about the
9 future. And there's a lot of -- a sense that volumes will
10 be increasing dramatically.
11 The need for shared responsibility, just a cry
12 for some type of assistance, this is what we heard very
13 clearly.
14 More specifically, the need for some type of a
15 front-end financing system. A lot of different terms are
16 used. I think the main thing was just a non-local
17 government funding system was what the need was.
18 And then we also heard a lot about concerns over
19 the new regulations and how to implement them and a desire
20 for better information about the specifics handling
21 requirements and that sort of thing.
22 --o0o--
23 MR. BOISSON: In terms of the survey, the survey
24 was specifically focused on local government electronics
25 recycling programs, and not programs operated in the

1 private sector, although many of the local government
2 programs are operated by contractors.
3 We were able to get 25 responses, that most of
4 them covered many jurisdictions, so they covered a total
5 of 114 cities and counties and 41 programs, as I defined
6 them. I'll talk about that in a second.
7 And just a couple caveats to think about as I
8 present the results. I think a real big picture is that
9 this survey is a snapshot in time during a very turbulent
10 period when these programs were just beginning to get up
11 and running. Very few of them are fully developed. Very
12 few of them have been promoted. So everything's changing.
13 And it makes making projections based on the numbers I'll
14 present difficult.
15 --o0o--
16 MR. BOISSON: One of the challenges I had was
17 just consistently defining what we mean by a program. A
18 lot of the different -- there are no standard terms. And
19 people are using the same terms in different ways. What
20 we wound up doing, we're using these definitions. I
21 probably won't walk through all of them. But most
22 programs fall into one of two camps: Either a drop-off
23 program that is integrated with an existing facility,
24 either a MERF or a household hazardous waste program or
25 other type of recycling facility or all of the above; or a

1 special event that's held at a distinct location that may
2 change in time, maybe anywhere from once a month to once a
3 year.
4 The other programs include cleanup programs. A
5 couple cities have neighborhood cleanup programs, and
6 they've specifically targeted CRTs or illegal dumping
7 cleanup programs. Load check at landfills. On supporting
8 others I'll just site Santa Cruz as specifically -- the
9 County of Santa Cruz has provided support to a variety of
10 private sector entities to actually collect CRTs. So it's
11 a county-funded program, but it's private sector.
12 And then pickup includes -- did a couple curbside
13 programs that actually include electronics. Not all the
14 time. Maybe once a month, sometimes even less than that.
15 And others have on-call service where residents, for
16 example, may get one pickup per year, sometimes with a
17 bulky item pickup and sometimes it's completely separate.
18 --o0o--
19 MR. BOISSON: So those are the types of programs
20 that are out there. And I think the thing to emphasize is
21 that no two are exactly alike. It's just like any other
22 recycling program at the local level. And it makes them
23 hard to -- makes it difficult to aggregate statistics on
24 these programs.
25 This slide just emphasizes the fact that these

1 are brand new programs. Almost 80 percent of them started
2 up over the last year. And so when I get into the
3 statistics in a second, just remember, I've annualized the
4 programs. Where a program operated for half a year, for
5 example, I doubled their costs and their collections in
6 order to have consistency.
7 --o0o--
8 MR. BOISSON: Most of the programs accept more
9 than just CRTs. Those that accept more than CRTs usually
10 had a fairly ill-defined grouping and they were getting
11 all kinds of different products. Sometimes they were very
12 specific, but that was actually fairly rare. Only 30
13 percent limited their collections to CRTs.
14 --o0o--
15 MR. BOISSON: I'm starting to get into the costs
16 now. These 41 programs, again representing 40 percent of
17 the state, in this turbulent first year, if you annualize
18 their costs you come up with a total of $2 million, a
19 little over 2 million. And most of that went to
20 contractors. And that contractor piece of the pie is
21 actually somewhat complex.
22 I mean on one extreme is where you have a full
23 service processor who's come in and actually operated the
24 collection program and the transportation. And on the
25 other end of the spectrum are those -- just a few

1 programs, I think it was 6 of the 41 -- where local
2 government staff did all of the collection operations.
3 And so the contractor was really just the processor. But
4 it's -- there are a lot of services bundled into that
5 contracting line item.
6 I'll just highlight one other thing on this
7 slide, and that's the promotion at 3 percent. A lot of
8 the respondents didn't mention any promotion costs. We
9 know they had some. But several of them highlighted again
10 and again that they had not yet begun to really
11 aggressively promote the program. So they're expecting a
12 huge increase in volume.
13 To also point out, one of the challenges in this
14 is that it was very difficult for respondents to separate
15 out costs where they were a part of ongoing activities.
16 There was no real consistent way of doing that. And for
17 that reason these costs are somewhat underestimated, I
18 believe.
19 --o0o--
20 MR. BOISSON: I'm not going to go through this
21 entire table. I'm going to run across the bottom line
22 first, and then maybe I'll come back to a couple other
23 things.
24 First of all, the total cost, again, is about $2
25 million annualized across this sample. Collectively,

1 again on an annualized basis, they would have collected
2 about four and a half million pounds of mixed electronics.
3 I have the breakout numbers for CRTs if you're interested
4 in that. That equates to about 45 cents a pound overall.
5 And if you look at the different programs, on the low end
6 are the mobile and special events, which are about 29
7 cents a pound and then on the high end the other programs
8 are in the 50s.
9 And I'll just say that the U.S. EPA has recently
10 done a review of surveys around the country to support
11 NEPSI. And the estimates they came up on overall cost per
12 pound were -- this is in the ballpark. It's somewhat on
13 the high end, the 45-cent number is on the high end. The
14 29-cent number that we're showing for mobile and special
15 events are on the low end.
16 So to me that was comforting to know that we were
17 in the ballpark and that they were in the ballpark. They
18 did not distinguish program types.
19 The numbers here are for those respondents that
20 were able to give us both cost and collection status. So
21 it's not the full sample that I mentioned earlier. These
22 programs were covering about 13 million people. And if
23 you do the math, that works out to about .34 pounds per
24 person covered in the program. So if a city of a million
25 has a program, this is referring to the full population.

1 That's similar to another survey that was done by
2 the Northeast Recycling Council of several hundred
3 programs around the country. I think they got .39 pounds.
4 This is much lower than some of the EPA data that has more
5 recently looked at programs. And they're getting even
6 above 1 pound per capita. And it may sound esoteric,
7 these statistics, but that particular one's very important
8 in terms of projecting costs down the road. And, again,
9 since the programs were so new, they haven't been
10 promoted, you'd tend to expect that that's going to
11 increase dramatically.
12 --o0o--
13 MR. BOISSON: I would also note that I was able
14 to compile some of the overall household hazardous waste
15 collection data from the Form 303 process that the Waste
16 Board does. And the total there was something like 1.2
17 pounds per capita. So it was like .35 for electronics,
18 1.2 for household hazardous waste, which tells me that at
19 least on a poundage basis the electronics has the capacity
20 to rival household hazardous waste collection as a whole.
21 This chart is just processing of CRTs. There was
22 a limited sample of data, either .37 cents per pound or
23 eighteen fifty on a per-unit basis. And to compare it to
24 the EPA's data, this is somewhat on the high side, which
25 could be to two factors: One, the fact that California's

1 a different market in particular with the mandate there's
2 a, you know, far more active vendor market in California;
3 and the second thing is that in some cases these figures
4 include bundled activities that are not just processing.
5 It may have been some transportation and some collections.
6 But it's still in the ballpark, and again a little bit
7 higher than in other states.
8 --o0o--
9 MR. BOISSON: In terms of funding, all of the
10 programs relied to some extent on their standard budget,
11 whether it's a recycling budget or a household hazardous
12 waste budget, regardless of how they structure it.
13 Only 27 percent charged a participant fee. But
14 there was a clear trend. Several respondents said that
15 they were planning on initiating a new fee or increasing
16 their existing fee. There's definitely a trend in that
17 direction.
18 --o0o--
19 MR. BOISSON: And this is my last slide. And it
20 really just reinforces the themes from the workshop that I
21 mentioned earlier. We did have specific questions on the
22 survey form where we asked what should NEPSI do, what
23 should the State do, what should the federal government
24 do. And this may sound like a political agenda, but it
25 really directly comes from the survey forms. I think

1 nearly 100 percent of the respondents highlighted the need
2 for some type of a front-end funding source, some
3 non-local government funding source, to support them.
4 The same thing with shared responsibility. Some
5 type of a role for producers. There was differences of
6 opinion on what that should be. About 25 percent of the
7 respondents actually said 100 percent responsibility is
8 what they would like to see producers having for actually
9 running collection programs. The remaining 75 percent
10 just wanted some help. That was the overall theme.
11 And then the others -- there are more specifics
12 in my report, but there was a call specifically to DTSC
13 and the Waste Board for better information on processors,
14 concern over environmentally sound management and how to
15 implement the regulations.
16 There's a lot more information in the report.
17 I've tried to keep this short and sweet. But I'd be happy
18 to answer any questions you have.
19 CHAIRPERSON JONES: I just have a couple of
20 questions.
21 When did you move back to California?
22 MR. BOISSON: Last Monday.
23 CHAIRPERSON JONES: Oh, Okay.
24 I ran into Mr. Boisson all over the country and I
25 thought he was from another part.

1 When EPA is using their numbers, are they
2 including California's numbers in their surveys?
3 MR. BOISSON: Let me first say that EPA's effort
4 that they've gone to to collect this data was specifically
5 to support NEPSI. And they haven't actually released it
6 beyond that. So I've made some references to it. I was
7 hoping to actually incorporate it in this. I may be able
8 to.
9 They haven't -- they have had access to some of
10 our data. Over the last month I've given them bits and
11 pieces. But they have not had access to the full report
12 because it's only just now been completed. So the only
13 California data they've had was through the Northeast
14 Recycling Council survey I mentioned, which was about at
15 least six months ago, maybe more. So they had, I think,
16 about ten California jurisdictions in there. But they
17 were even, you know, younger than what I've been able to
18 document. So very little is the answer.
19 CHAIRPERSON JONES: Yeah, because I worry, when I
20 see that range being pretty close to what your range is,
21 you know, the states that don't have a ban are going to
22 have, you know, probably a lower cost. California's
23 costs, you know, when the ban went in, the price went up.
24 So I just hope that EPA doesn't use -- I hope we
25 can at least distinguish the difference between the

1 national average and then what's in California.
2 MR. BOISSON: I think the next NEPSI meeting,
3 which is now scheduled for November, or will be, we're
4 hoping to present these results. And certainly the main
5 participants in NEPSI will be well aware of those. So
6 there will be a mix in the debate.
7 CHAIRPERSON JONES: Well, from my part, I think
8 that this was very informative. And nice job.
9 Mr. Paparian.
10 COMMITTEE MEMBER PAPARIAN: I'd just like to echo
11 that. I think Mr. Boisson's done a remarkable job,
12 especially considering what we paid him to produce this.
13 The results per dollar paid are on the high side.
14 CHAIRPERSON JONES: So we should do an evaluation
15 of that, too, because we did another report that I would
16 have said the reverse, dealing with the same subject
17 matter.
18 MR. BOISSON: I'm tempted to comment, but I think
19 I'll stay out of that one.
20 CHAIRPERSON JONES: No, the intention was --
21 yours is good. The intention on the other one was good,
22 but whatever.
23 Any other issues here with Mr. Boisson?
24 Patty?
25 DEPUTY DIRECTOR WOHL: No, just that our

1 intention was that this would be for Committee only,
2 unless the Board feels differently.
3 CHAIRPERSON JONES: No. But you're going to make
4 it available or you've made it available to all the Board
5 members?
6 DEPUTY DIRECTOR WOHL: Yes.
7 CHAIRPERSON JONES: And it's good to see you back
8 in California.
9 MR. BOISSON: Thank you.
10 CHAIRPERSON JONES: Good luck. You do good work.
11 Mr. Paparian, I just want to clear up some -- our
12 chief counsel, who's speaking -- when we made the two A&B
13 motions -- and I'm only doing this so we don't get messed
14 up at the Board meeting. "A" was everybody except Cisco,
15 which is what you'd said?
16 COMMITTEE MEMBER PAPARIAN: Correct.
17 CHAIRPERSON JONES: "B" Is Cisco?
18 COMMITTEE MEMBER PAPARIAN: Correct.
19 CHAIRPERSON JONES: Okay. I may have misstated
20 it. And I wanted to make sure it was clear on the record.
21 And then before we get to our RPPC issues, Patty
22 Wohl, all your staff left on that loan sale issue, but I
23 remembered what I was thinking about.
24 DEPUTY DIRECTOR WOHL: Okay.
25 CHAIRPERSON JONES: We have a range of interest

1 rates, some high, some low. Blended they're above the
2 prime today. Normally, when we do an asset sale like
3 that, people can pick and choose. We need to be cognizant
4 of the idea that if they pick off all the high ones, we'll
5 never sell the more current lower ones. So I think you've
6 got to have a strategy of bundling those so that they
7 still get the benefit of the overall package and we don't
8 end up sitting with all of the lower rate ones and unable
9 to sell them, you know what I mean, because of that. So
10 that was the one comment I wanted to make during that item
11 and I'd forgotten until a minute ago. So if that's legal,
12 I thought I'd bring it up.
13 All right. Ms. Wohl.
14 DEPUTY DIRECTOR WOHL: Okay. As you mentioned,
15 the next three items are RPPC items.
16 The first one, Agenda Item K, consideration of
17 completion of the '97-'99 rigid plastic packaging
18 container compliance agreements for the following
19 companies. And I'll save that for Jan Howard to read
20 through them.
21 But Jan Howard will present this item.
22 MS. HOWARD: Good afternoon, Chairman Jones and
23 Mr. Paparian.
24 I have two-inch heels on, too.
25 In order to save time I'm going to go ahead and

1 give you a real quick shortened version here.
2 The item is, consideration of completion of the
3 1997 through 1999 rigid plastic packaging container
4 compliance agreements and reconsideration of direction to
5 schedule a public hearing.
6 The item is the first group of compliance
7 agreements for the 1997 through 1999 compliance year that
8 the Board approved at its June 2001 meeting.
9 The compliance agreements -- as part of the
10 compliance agreements the companies had six months to get
11 into compliance and six months to demonstrate compliance.
12 I'd like to give you an update for both Sunnyside
13 and Royal Soap and Chemical. They have submitted
14 information to substantiate their certification. This
15 will be included and updated in the BAWDS for the agenda
16 item for the Board meeting.
17 Also Imperial Toy, we are still working with
18 them. We had a conference call with them this morning.
19 They believe they are in compliance. We believe that
20 there is merit to that. And we are going to continue to
21 work with Imperial Toy, and we will give you an update on
22 that at the Board meeting.
23 We will also -- the BAWDS will also be updated
24 and to include all of the resolutions for each of the
25 individual companies.

1 The item will present five options for the Board.
2 Options 1 and 2 will apply to those companies
3 that have achieved compliance. Option 1 would be for
4 those companies that met the terms and conditions of the
5 compliance agreement within the specified timeframes. And
6 Option 2 would be for those companies that achieved
7 compliance prior to execution of the compliance agreement
8 for at least a six-month period.
9 Option 3 will be to schedule a public hearing to
10 consider fines or penalties.
11 Option 4 would be to consider to extend the
12 compliance agreement or order additional actions or
13 measures to ensure compliance with the RPPC law.
14 And Option 5 would be to take no further
15 enforcement action and the compliance agreement
16 terminated.
17 There are -- we have nine companies that are in
18 Option 1; six companies for Option 2; three companies for
19 Option 4; and three companies for Option 5.
20 I would also like to state here too that with
21 these companies that achieved compliance, they have used
22 more than 1.5 million pounds of post-consumer resins and
23 they have reduced their resin usage by more than 1.3
24 million pounds.
25 That will conclude my presentation. Can I update

1 you on anything else or answer any questions for you?
2 CHAIRPERSON JONES: No, but -- that's impressive
3 tonnage.
4 So your staff recommendations, that are on page
5 47-3, they're current? There's no changes in those where
6 you've said --
7 MS. HOWARD: Except for Imperial Toy. And we
8 will update you with that at the Board meeting.
9 CHAIRPERSON JONES: Okay. So Imperial Toy is --
10 okay.
11 MS. HOWARD: They're --
12 CHAIRPERSON JONES: They shouldn't be in there
13 right now?
14 MS. HOWARD: That's right.
15 CHAIRPERSON JONES: Still to be determined?
16 MS. HOWARD: That's correct.
17 CHAIRPERSON JONES: So I guess what I'm asking is
18 that if Mr. Paparian and I were to move some
19 resolutions --
20 MS. HOWARD: Okay. I can name you -- do you
21 want --
22 CHAIRPERSON JONES: Well, now that you tell me
23 Imperial, I got it.
24 We could make resolutions and offer to put this
25 on consent. And if somebody wanted to pull it off, they

1 could or we could go through this routine.

2 CHIEF COUNSEL TOBIAS: Could I -- you could do

3 that, and I think Patty was nodding yes as well.

4 Could I direct your attention to the Hercules

5 Chemical Company one, where -- it's under Option 4. In

6 reading these over, it's the only one that stood out a

7 little bit to me in terms of, you know, looking a little

8 bit different. I thought everything else was extremely

9 consistent, and I agree with all of the recommendations

10 that staff's put forward.

11 The only concern I have with Hercules -- and I

12 thought maybe it would just be good if -- I don't know

13 whether staff is prepared to talk a little bit about the

14 recommendation on this. But if you look at page 47-11, it

15 basically says that -- in the second paragraph on that

16 page is -- it says there, "Documentation is not organized,

17 critical information's missing, forms are incomplete,

18 there's a lack of clarity between products, containers,

19 suppliers, and they failed to submit progress reports."

20 And then the next paragraph basically talks about why

21 staff thinks that these would be okay for an extension of

22 compliance agreement.

23 I guess I just thought that perhaps the Board

24 should make sure that that's the proper option for this

25 one to be in. If you look back at all the rest of the

1 write-ups on all the different companies, each one
2 basically says that most of these companies were very
3 diligent in submitting their information. And here we
4 have a very large manufacturer who basically was not doing
5 that.
6 So I'm not prepared at this time to say that this
7 recommendation, you know, should be changed. But I guess
8 I would like to bring it to the Board's attention. And
9 then I think you could still go ahead, if you wanted, and
10 offer your resolutions. But on this one, if you choose,
11 we could either have more information brought forward on
12 it or you could leave it to the total Board, or go ahead
13 with the option that staff's proposed. But I wanted to
14 flag it for you.
15 CHAIRPERSON JONES: Right. And so what staff is
16 asking for is the three-month extension on this and try to
17 work with it. And so --
18 CHIEF COUNSEL TOBIAS: Right, which I think is --
19 you know, it could be valid. I guess what I do -- I guess
20 what I'm thinking is that if you look at all the rest of
21 them, the ones that have been scheduled for hearings on
22 fines, it just struck me that -- you know, we're on this
23 one bending over a little bit backward to give them more
24 time. And I don't know if you've -- just the plain
25 write-up, I don't know if that's a deserving place. But,

1 as I say, I'm not -- I'm just reading this because it
2 sticks out to me. It doesn't sound like the rest.
3 CHAIRPERSON JONES: Well, let me ask you a
4 question. Are you comfortable with your three-month
5 extension option?
6 MS. HOWARD: Well, the company -- we were, yes.
7 And that's because they are a large company. They did
8 show with their certification for the '97 through '99
9 period. They did show that a number of their containers
10 were in compliance. So we wanted to allow the additional
11 time. As it says, we would work with them just through
12 September 30th, and bring it back to you at the Board --
13 at the December Board meeting.
14 DEPUTY DIRECTOR WOHL: They've made some attempt
15 to do some testing. It's just failed. So, you know, our
16 feeling is give them some time maybe they can --
17 CHAIRPERSON JONES: Yeah, they've tested. And
18 what they tested didn't work.
19 DEPUTY DIRECTOR WOHL: -- didn't work, right. So
20 they just are asking --
21 CHAIRPERSON JONES: So they need more time.
22 That's what this whole process was about.
23 COMMITTEE MEMBER PAPARIAN: The three-month
24 extension would take them to September 30 --
25 MS. HOWARD: -- to September 30th. And then we

1 would bring them back to you at the December Board meeting
2 with a recommendation.
3 CHAIRPERSON JONES: Right.
4 COMMITTEE MEMBER PAPARIAN: I mean I think
5 it's -- to the extent that it's useful, I think it's fair
6 to say that our legal counsel raised some concerns about
7 this one and their failures to provide adequate
8 documentation and the related things, and that at least
9 one Board member shared that concern. I'm willing to
10 grant them the three-month extension. But if they don't
11 clean up their act in this area, I might want to look to a
12 stronger action.
13 CHAIRPERSON JONES: And in December when that
14 comes forward, if they haven't complied, they will be
15 subject to fines.
16 MS. HOWARD: Absolutely.
17 CHAIRPERSON JONES: Okay. But --
18 MS. HOWARD: I can read you, if you'd like then,
19 the resolution numbers. We've been working with them. We
20 do have resolution numbers excluding Imperial Toy.
21 COMMITTEE MEMBER PAPARIAN: Did you also say you
22 were going to change Sunnyside, was it?
23 MS. HOWARD: Sunnyside will be updated. They are
24 in compliance. They will be under Option 2. They --
25 COMMITTEE MEMBER PAPARIAN: But the resolution

1 will be updated?

2 MS. HOWARD: Yes.

3 COMMITTEE MEMBER PAPARIAN: So we probably

4 shouldn't put that one in --

5 MS. HOWARD: Or we can just go through the -- we

6 can name the resolutions off at the Board meeting.

7 COMMITTEE MEMBER PAPARIAN: I think what Mr.

8 Jones is trying to do is get as many of them on to consent

9 as we probably can so that we're able to focus on what we

10 actually have to vote on.

11 CHIEF COUNSEL TOBIAS: I think if staff thinks

12 that it's updated and you just don't have them out, it can

13 go ahead and go on consent.

14 MS. HOWARD: Yeah, okay.

15 Then those would be Resolution Numbers 2002-475

16 through 2002-479, and Resolutions 2002-481 through

17 2002-495, and Resolution 2002-530.

18 CHAIRPERSON JONES: Okay.

19 COMMITTEE MEMBER PAPARIAN: Okay. I'd move all

20 of those that were just read.

21 CHAIRPERSON JONES: Okay. I'll second.

22 We have moved all of these -- let me just ask you

23 a question. I second your motion.

24 Under staff recommendation you've got 475, 482,

25 484, 486, 487, 489, 90, 91, and 94 in that first one, and

1 I didn't call out Imperial.

2 476, 481, 483, 488, 492, and 495 in Option 2.

3 477, 479, and 485 in Option 3.

4 COMMITTEE MEMBER PAPARIAN: Option 4.

5 CHAIRPERSON JONES: Four. I'm sorry.

6 And then Option 5: 478, 493, and 530.

7 There are no changes.

8 The only reason I ask, we did this once before

9 and all the numbers were flopped. These are them?

10 DEPUTY DIRECTOR WOHL: Right, the resolution

11 numbers.

12 CHAIRPERSON JONES: And that's the motion that

13 Mr. Paparian made and that's the motion that I seconded.

14 And now you got to not mark down all those

15 numbers.

16 All right. Call the roll, Jeannine.

17 SECRETARY BAKULICH: Paparian?

18 COMMITTEE MEMBER PAPARIAN: Aye.

19 SECRETARY BAKULICH: Jones?

20 CHAIRPERSON JONES: Aye.

21 We propose this for consent, okay?

22 Thank you. Nice job.

23 You need to tell the Board members how much

24 plastic reduced and how much got used, because that's why

25 we do this program. And it's good for all those plastics

1 folks. They love it.

2 DEPUTY DIRECTOR WOHL: Okay. Now for the drum

3 roll.

4 Agenda Item L. This is consideration of the 2001

5 rigid plastic packaging container (RPPC) all-container and

6 polyethylene terephthalate (PET) recycling rates to be

7 used for compliance year 2002. And it's Agenda Item 48.

8 And Sue Ingle will present.

9 (Thereupon an overhead presentation was

10 presented as follows.)

11 MS. INGLE: Hi. My name is Sue Ingle. I'm with

12 the Waste Prevention Market Development Plastic Technology

13 Group. And we're here today to present two recycling

14 rates for 2001.

15 The first one is the all-container rate, which is

16 for all plastic containers. The second rate is the PET

17 rate, or polyethylene terephthalate. And that's just for

18 PET containers.

19 The overall recycling rate accounts for a variety

20 of containers holding products such as laundry detergent,

21 motor oil, foods, cosmetics, and soft drinks.

22 The PET rate includes primarily beverage and food

23 containers made from PET.

24 Next one.

25 --o0o--

1 MS. INGLE: Now, I'd like to discuss the
2 calculation of the rates in more detail. First, we'll
3 discuss the calculation of the all-container rate and then
4 we'll present the PET recycling rate.
5 Okay. This basic equation has been used to
6 calculate the RPPC recycling rates, and it's been the same
7 equation used every year.
8 The all-container recycling rate is calculated as
9 the tons of RPPCs recycled in California divided by the
10 tons of RPPCs generated in California. Generation is
11 achieved by adding tons disposed with tons of RPPCs
12 recycled.
13 The methodologies for calculating the rates were
14 approved by the Board in April of 1998. This methodology
15 was applied to the 1997 and subsequent RPPC recycling
16 rates. First I will address how generation was calculated
17 for the all-container rate. Then I'll discuss how the
18 recycling tons were calculated.
19 --o0o--
20 MS. INGLE: The amount of RPPCs generated in
21 California was estimated by calculating California's share
22 of national resin sales used in RPPCs. Several sources
23 were used to obtain the generation for 2001, including
24 data from 1999. The resin sales data needed to perform
25 this calculation was prorated to California based on

1 California's share of the U.S. population. This is also
2 based on data reported in the Board's 1999 California
3 waste characterization study.
4 You're welcome to take a look at our calculation
5 handout for a more detailed analysis of this equation.
6 And this is the handout, if you need it.
7 And we gave this out to the interested parties
8 yesterday to review.
9 --o0o--
10 MS. INGLE: In order to capture as much RPPC
11 plastic packaging containers as possible, Board staff
12 surveyed MERFs, processors, curbside sorters, and
13 recyclers with the capability of baling plastic bottles.
14 Board staff, assisted by Department of
15 Conservation, or DOC, staff collected volumes of RPPCs not
16 reported to the DOC in 2001.
17 The tons of RPPCs obtained from our annual survey
18 were added to volumes of plastic bottles reported by the
19 DOC to make up the total tons recycled in 2001.
20 We also collected additional information on the
21 flow of plastic film for assessing California's film
22 collection or the lack of collection.
23 With assistance from our plastics interested
24 parties group, Board staff refined its 2001 processor
25 survey list for a total of 254 facilities. And we

1 achieved a 100 percent response rate from these firms.
2 As it turns out, after talking with each of these
3 companies, only 37 out of 254 handled RPPCs that were not
4 reported to the DOC, making up less than 4 percent of the
5 total recycling data we collected over six months
6 involving two staff members plus the two DOC members.
7 Before the next RPPC survey staff would like to
8 explore options to modify or eliminate the need to perform
9 this survey and be able to obtain statistically defensible
10 results.
11 --o0o--
12 MS. INGLE: The yield-loss factors that we used
13 in this calculation were developed through a contract with
14 Cascadia Consulting to determine the contamination percent
15 by material type. These yield-loss factors were developed
16 for the 1995 rate calculation.
17 Over the past seven years there have been several
18 changes in recycling technologies. Therefore, staff would
19 like to review methodologies for determining these
20 yield-loss factors for future rate calculations.
21 --o0o--
22 MS. INGLE: We'd like to briefly talk about the
23 1999 waste characterization study conducted by Cascadia
24 Consulting. The waste characterization study determines
25 the range around the recycling rate. This range estimates

1 the variance resulting from sampling error in the Board's
2 1999 waste characterization study.
3 This year the all-container rate range was 25.9
4 to 27.5 percent, meaning the best recycling rate was
5 calculated at 26.1 percent and has a 90 percent confidence
6 level that the actual recycling rate is within this range.
7 --o0o--
8 MS. INGLE: The national resin sales for 2001 was
9 estimated at 4,428,085 tons, and was less than the amount
10 of resin sold in 1999.
11 National resin sales for resins 2 through 7 was
12 obtained from the American Plastics Council and the PET
13 resin sales came from the National Association of PET
14 Container Resources, or NAPCOR.
15 In the past the PET resin sales data was
16 published by several sources and staff used data from the
17 APC or modern plastics. This year the PET resin sales
18 data was only available from NAPCOR, and it looks like
19 that's the way it's going to be from here out.
20 And they do not publish their annual report until
21 late August each year. Well, this conflicts with our goal
22 of presenting the recycling rates to the Board each July
23 so companies selling their products into California can
24 plan compliance options.
25 Over the next year staff will be looking for

1 alternative sources of resin sales data so the recycling
2 rates can be calculated and presented to the Board in a
3 timelier manner.
4 CHAIRPERSON JONES: Can we back up just a hair?
5 MS. INGLE: Sure.
6 CHAIRPERSON JONES: I hate to interrupt you.
7 So everybody that you've been getting the
8 information from who represent the people that make this
9 stuff aren't -- now nobody's going to give it to you
10 except NAPCOR?
11 MS. INGLE: And the American Plastics Council
12 does the resins 2 through 7.
13 They split apart.
14 CHAIRPERSON JONES: Okay. So nobody's baled?
15 You still get the information?
16 MS. INGLE: We still get the information. It's
17 just -- we only have two sources.
18 CHAIRPERSON JONES: Okay. Just checking.
19 MS. INGLE: Okay. The all-container recycling
20 rate was calculated as a best estimate of 26.1 percent,
21 within the range of 24.9 to 27.5 percent. This is the
22 first year the all-container recycling rate was calculated
23 above 25 percent since it was first calculated in 1995.
24 The Board adopted the 2000 rate in July 2000 as
25 23.8, between the range of 22.7 and 25.1, and was used for

1 compliance years 2000 and 2001.

2 The all-container rate must have been 25 percent

3 or greater in order for product manufacturers to use this

4 compliance for year 2002.

5 --o0o--

6 MS. INGLE: Going on to the PET recycling rate.

7 Now, we'd like to present the PET rates. The

8 statute allows companies selling products in PET

9 containers to be in compliance if the annual overall PET

10 recycling rate is 55 percent or greater. If the Board

11 adopts the calculated rate of 31.8 percent in 2001, this

12 compliance option will not be available to product

13 manufacturers for 2002.

14 --o0o--

15 MS. INGLE: The methodology for calculating a PET

16 rate was adopted by the Board in June of 1995 and again in

17 April of 1998, after years of discussion and evaluation of

18 numerous methodologies by Cascadia Consulting and our

19 interested parties group.

20 The rate was calculated by dividing the amount of

21 PET containers recycled by the amount of PET containers

22 sold in California during 2001, using a population

23 extrapolation to reflect California's share.

24 The Board adopted methodologies for calculating

25 the PET recycling rate in April of 1998. Calculating

1 these rates using Board-adopted methodologies, the PET
2 rate was 31.8 percent. And that was in 1990 -- I'm
3 sorry -- that was in 2000.
4 --o0o--
5 MS. INGLE: Okay. In conclusion, staff
6 recommends the Board adopt all the container rates, the
7 all-container rate and the PET rate for 2001. If you'd
8 like more information or details on the rate calculation
9 process, staff will make this available on the web site
10 for the Board.
11 And this concludes our presentation.
12 CHAIRPERSON JONES: Questions?
13 COMMITTEE MEMBER PAPARIAN: The national resin
14 sales numbers, that would lead you to what's manufactured
15 in the United States?
16 MS. INGLE: What's sold to manufacturers.
17 COMMITTEE MEMBER PAPARIAN: What's sold to
18 manufacturers in the United States?
19 MS. INGLE: Yes.
20 COMMITTEE MEMBER PAPARIAN: Do we account for
21 imported containers in some way?
22 MS. INGLE: Yes, that is included in their
23 report. They include what was -- the resins that were
24 imported, say, from Canada or from Europe that they used
25 to make bottles.

1 COMMITTEE MEMBER PAPARIAN: Okay. What about
2 imported container -- what if I buy a product, a piece of
3 hardware that is in an RPPC and it's made in Mexico or
4 Japan or --
5 MS. INGLE: Containers that were imported?
6 COMMITTEE MEMBER PAPARIAN: Yeah.
7 MS. INGLE: I don't know the answer to that. I
8 don't think so.
9 COMMITTEE MEMBER PAPARIAN: Okay. I'm wondering
10 how much -- when I go to, you know, Circuit City or Home
11 Depot and buy things, I know that a lot of them are
12 imported. And so I think we're -- it sounds like we're
13 making the assumption that the packaging itself wasn't
14 imported, it was just the product. I don't have a way of
15 knowing whether that's right or not. Some products are
16 probably packaged here, some probably are not.
17 MS. INGLE: Boy, I don't know what to say.
18 COMMITTEE MEMBER PAPARIAN: Well, as we look --
19 you said we're going to look at this methodology, you
20 said, right?
21 MS. INGLE: Yes.
22 COMMITTEE MEMBER PAPARIAN: It might be something
23 to consider in looking at the methodology.
24 MS. INGLE: Yeah, especially with the clam shells
25 that are produced overseas.

1 COMMITTEE MEMBER PAPARIAN: Yeah, I wonder -- I
2 don't if we're going to hear from the gentleman in the
3 back row. But I don't know if they have any knowledge of
4 this area that might shed some light on. They may not
5 want to --
6 MR. LARSON: I can tell you the information
7 that's provided through the surveys that are conducted by
8 the American Plastics Council are done through an
9 independent consultant, R. W. Beck, have been for years.
10 And I just don't have the specific answer to your
11 question.
12 CHAIRPERSON JONES: Thank you, Mr. George Larson.
13 COMMITTEE MEMBER PAPARIAN: I think, again, when
14 we look at the methodology, it might be something to look
15 at, whether it would be a significant number or not.
16 Yeah, I'll leave it at that.
17 CHAIRPERSON JONES: Okay. If Mr. Paparian
18 doesn't mind, my first Board meeting was after two years
19 of nobody ever being able to come up with this -- a
20 number. That's when they came up with a range. And I was
21 the fourth vote. So I think I'll make this motion.
22 I'll move adoption of Resolution 2002-496,
23 consideration of the 2001 RPPC all-container and PET
24 recycling rate to be used for the compliance year 2002.
25 Now, therefore, be it resolved that the all-container rate

as 26.1 percent, within the range of 24.9 to 27.5; and further be it resolved that the 2001 PET rate is 31.8 percent.

COMMITTEE MEMBER PAPARIAN: Second.

CHAIRPERSON JONES: Substitute the previous roll, Mr. Paparian?

COMMITTEE MEMBER PAPARIAN: Yes.

CHAIRPERSON JONES: Put it on consent?

COMMITTEE MEMBER PAPARIAN: Yes.

CHAIRPERSON JONES: Okay. So ordered.

Thanks.

DEPUTY DIRECTOR WOHL: Can I just add that part of the description of how it was calculated was to give you a sense of how important the waste characterization study is to this program, too. We have a contract concept coming forward out of DPLA for that -- to update the waste characterization study, and it really is critical to a lot of the programs here and how those numbers come out.

So it sort of helps in that confidence factor and the all-yield factor, things like that.

COMMITTEE MEMBER PAPARIAN: Yeah, it might actually be an interesting sort of check and balance in the total waste characterization study to look at the -- the tonnage of plastic disposed in California ought to equal the 74 percent or whatever.

1 CHAIRPERSON JONES: Yeah.

2 DEPUTY DIRECTOR WOHL: But there's been some

3 changes to the bottle bill since the last waste

4 characterization study. And I think that that could

5 dramatically change the population of those disposed, of

6 the RPPCs, especially with your bottled waters. Anyway, I

7 just wanted you to kind of see the tie between that and

8 this.

9 So we'll move on to our last item --

10 MS. INGLE: Thank you.

11 DEPUTY DIRECTOR WOHL: -- which in lieu of the

12 rate, kind of changes the direction.

13 CHAIRPERSON JONES: Kind of changes your staff

14 recommendation, right?

15 DEPUTY DIRECTOR WOHL: Yes, it does.

16 So this is consideration of a rigid plastic

17 packaging container (RPPC) certification for compliance

18 year 2002.

19 And Neal Johnson will give you a brief overview.

20 (Thereupon an overhead presentation was

21 presented as follows.)

22 MR. JOHNSON: Yeah, I'm trying to see how brief I

23 can do this.

24 The item when it was written, and I guess still

25 does, proposes four -- or proposes four options for Board

1 action with respect to a compliance certification for
2 RPPCs in the year 2000 -- or for compliance year 2002.
3 The first option was to combine the 2001 and 2002
4 certifications. That combined certification would require
5 approximately 75 companies, of which about 15 to 20 would
6 be large competitors of companies all in previous
7 certifications, and that those companies would be asked to
8 provide certifications for both year 2001 and 2002. This
9 contrasts a little with how we did the 1999 -- 1997 and
10 '99 certification, where we asked them to certify in
11 essentially yes or no for '97 and '98, and then supply a
12 complete package with data for '99. Whereas, here we
13 would be asking for complete data in 2001 and 2002.
14 --o0o--
15 MR. JOHNSON: Option 2 was to simply do the 2002
16 as a 15 to 20 large companies, as I said again competitors
17 of previous certifications, and would add the concept of a
18 secondary pool, which the Board member -- one of the Board
19 members had suggested in June at the Committee meeting,
20 where there was a concern that we were getting a lot of
21 small companies, not large companies.
22 --o0o--
23 MR. JOHNSON: Option 3, which actually given what
24 has transpired, is probably the appropriate option, since
25 the overall -- all-container container rate is above 25

1 percent. And that is not to conduct a 2002 certification,
2 and complete the 2001 certification, which has -- what you
3 had approved in March of this year with respect to the
4 2001 certification had some of the concepts of the 75
5 companies and the large companies. What it didn't have
6 there was the concept of the secondary pool.
7 And then we would complete the 2001
8 certification, complete our upcoming compliance
9 agreements, conduct public hearings, audits, and other
10 activities of the program.
11 And that would be -- based on what we have
12 discovered or calculated with respect to the container
13 rates, is the option we would suggest. That is not the
14 option that the current resolution reflects.
15 Any questions?
16 CHAIRPERSON JONES: The 2001 certifications --
17 compliance certifications that you're doing, we had
18 limited that. What did we limit it to, like 75 or --
19 MR. JOHNSON: The number I think in the agenda
20 item was 75 companies -- 75 or 80. I can't remember the
21 exact number.
22 CHAIRPERSON JONES: All right. So let me ask you
23 a question, because I don't want to play -- I don't think
24 you should get two shots at the same -- you know, the same
25 deal. But the 75, would that be 75 that actually do RPPC,

1 or is it 75 that you're going to go out and see if they do
2 RPPC? Did we make that determination?
3 MR. JOHNSON: What we had envisioned in March
4 when we discussed it was that the 75 would be
5 predominantly companies who had been in the previous
6 certifications who for a variety of reasons, through
7 corporate mergers, acquisitions, were not held in those.
8 A large number of those are ones who were selected through
9 the marketplace survey process. So there's a fairly good
10 indication that they have RPPCs.
11 CHAIRPERSON JONES: That's fine. You know, this
12 program has been effective. It's been a lot of work for
13 your staff. I understand that. But it's been effective,
14 and people are changing packaging and they're adding more
15 content.
16 So if the 75 -- we're pretty sure that those 75
17 do RPPC. And that's better than just throwing out a net,
18 looking at 75, and asking the question --
19 MR. JOHNSON: Yeah, I think the pool we have has
20 about 130 or so companies in it, so we could pretty well
21 guarantee that we'd get a large number with regulated
22 containers.
23 CHAIRPERSON JONES: Mr. Paparian, any questions?
24 COMMITTEE MEMBER PAPARIAN: No.
25 So as I'm understanding it, the staff is now

1 proposing Option 3.

2 MR. JOHNSON: Yes, correct.

3 COMMITTEE MEMBER PAPARIAN: I'm prepared to move

4 that. It looks to me like the resolution itself may need

5 some work more than I can do here from the dais. But I

6 think that if we change the resolution 2002-497 to be

7 Option 3, that would be my motion.

8 CHAIRPERSON JONES: Okay. Kathryn, we're going

9 to -- Mr. Paparian has moved this Resolution 2002-497

10 revised to be reflective of Option 3. Is that enough

11 to --

12 CHIEF COUNSEL TOBIAS: Yes.

13 CHAIRPERSON JONES: Okay. That's what you

14 wanted?

15 COMMITTEE MEMBER PAPARIAN: Right.

16 CHAIRPERSON JONES: So I'll second it.

17 And, Ms. Bakulich, could you call the roll.

18 SECRETARY BAKULICH: Paparian?

19 COMMITTEE MEMBER PAPARIAN: Aye.

20 SECRETARY BAKULICH: Jones?

21 CHAIRPERSON JONES: Aye.

22 On consent?

23 So ordered.

24 Okay. So that will be -- Ms. Wohl, anything

25 else?

1 DEPUTY DIRECTOR WOHL: No, nothing else. Thank
2 you.
3 CHAIRPERSON JONES: All right. Is there anybody
4 in the public who would like to speak to the Committee?
5 Thank you all, staff. We appreciate it. Thank
6 you.
7 And I'm sure we'll see you tomorrow in Planning.
8 This is adjourned.
9 (Thereupon the California Integrated Waste
10 Management Board, Special Waste and Market
11 Development Committee meeting adjourned
12 at 4:42 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 Special Waste and Market Development Committee meeting was
8 reported in shorthand by me, James F. Peters, a Certified
9 Shorthand Reporter of the State of California, and
10 thereafter transcribed into typewriting.
11 I further certify that I am not of counsel or
12 attorney for any of the parties to said meeting nor in any
13 way interested in the outcome of said meeting.
14 IN WITNESS WHEREOF, I have hereunto set my hand
15 this 18th day of September, 2002.
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23 JAMES F. PETERS, CSR, RPR
24 Certified Shorthand Reporter
25 License No. 10063