Please note: These transcripts are not individually approved and reviewed for accuracy.

1 BEFORE THE

2 CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

3

4

5 IN THE MATTER OF THE:

6 REGULAR MONTHLY)

7 BUSINESS MEETING)

8 _____

9

10 DATE AND TIME: TUESDAY, DECEMBER 16, 1998

11 8800 CAL CENTER DRIVE

12 SACRAMENTO, CALIFORNIA 9582613

14

15

16

17

18

19

20

21

22

23

24

25 REPORTER: DEANNE MEINBERG

Please note: These transcripts are not individually approved and reviewed for accuracy.

1

2 APPEARANCES

3 DANIEL G. PENNINGTON, CHAIRMAN

4 ROBERT C. FRAZEE, VICE CHAIRMAN

5 DAN EATON, BOARD MEMBER

6 STEVEN R. JONES, BOARD MEMBER

7 DAVID A. ROBERTI, BOARD MEMBER

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Please note: These transcripts are not individually approved and reviewed for accuracy.

INDEX

CALL TO ORDER 4

EX PARTE COMMUNICATIONS 6

REPORT OF THE EXECUTIVE DIRECTOR 19

CONTINUED BUSINESS 27

ITEM 1: CONSIDERATION OF STAFF RECOMMENDATION ON THE BIENNIAL REVIEW FINDINGS FOR The SOURCE REDUCTION AND RECYCLING ELEMENT FOR VARIOUS JURISDICTIONS 29

ITEM 2: CONSIDERATION OF STAFF RECOMMENDATION ON THE BIENNIAL REVIEW FINDINGS FOR THE SOURCE REDUCTION AND RECYCLING ELEMENT FOR VARIOUS JURISDICTIONS 44

ITEM 3: CONSIDERATION OF STAFF RECOMMENDATION ON THE BIENNIAL REVIEW FINDINGS FOR THE HOUSEHOLD HAZARDOUS WASTE ELEMENT FOR VARIOUS JURISDICTIONS 60

ITEM 4: CONSIDERATION OF STAFF RECOMMENDATION ON THE BIENNIAL REVIEW FINDINGS FOR THE SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE CITY OF HAWAIIAN GARDENS IN LOS ANGELES COUNTY 63

ITEM 5: CONSIDERATION OF STAFF RECOMMENDATION ON THE BIENNIAL REVIEW FINDINGS FOR THE SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE CITY OF HAWTHORNE 104

ITEM 6: CONSIDERATION OF STAFF RECOMMENDATIONS ON THE BIENNIAL REVIEW FINDINGS FOR THE SOURCE REDUCTION AND RECYCLING ELEMENT AND THE HOUSEHOLD HAZARDOUS WASTE ELEMENT OF THE CITY OF COACHELLA IN RIVERSIDE COUNTY 122

ITEM 7: CONSIDERATION OF STAFF RECOMMENDATION ON THE ADEQUACY OF THE PREVIOUSLY CONDITIONALLY APPROVED SOURCE REDUCTION AND RECYCLING ELEMENT FOR THE SIERRA COUNTY REGIONAL AGENCY 159

ITEM 8: CONSIDERATION OF STAFF RECOMMENDATIONS TO CORRECT THE BASE-YEAR DISPOSAL TONNAGE FOR THE PREVIOUSLY APPROVED SOURCE REDUCTION AND RECYCLING ELEMENTS FOR THE CITIES OF CLOVIS, FOWLER, ORANGE COVE, PARLIER, REEDLEY, SANGER, SELMA AND FRESNO COUNTY 162

ITEM 9: CONSIDERATION OF STAFF RECOMMENDATION ON THE ADEQUACY OF THE FINAL SITING ELEMENT, SUMMARY PLAN AND THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

COUNTYWIDE INTEGRATED WASTE MANAGEMENT PLAN FOR LAKE COUNTY 204

ITEM 10: CONSIDERATION OF STAFF RECOMMENDATION ON THE ADEQUACY OF THE HOUSEHOLD HAZARDOUS WASTE ELEMENT FOR THE CITY OF POINT ARENA IN MENDOCINO COUNTY 208

ITEM 11: CONSIDERATION OF STAFF RECOMMENDATION ON THE ADEQUACY OF THE REVISED NONDISPOSAL FACILITY ELEMENT FOR THE UNINCORPORATED AREA OF SOLANO COUNTY 211

ITEM 12: CONSIDERATION OF STAFF RECOMMENDATION ON THE ADEQUACY OF THE AMENDED NONDISPOSAL FACILITY ELEMENT FOR THE SONOMA COUNTY WASTE MANAGEMENT AGENCY 214

ITEM 14: UPDATE ON THE PROGRESS OF THE STATEWIDE DISPOSAL CHARACTERIZATION STUDY CONTRACT AN]) CONSIDERATION OF POTENTIAL AMENDMENTS TO THE SCOPE OF WORK, AND POTENTIAL MODIFICATIONS TO AND AUGMENTATIONS OF THE CONTRACT 141

ITEM 15: CONSIDERATION AND APPROVAL OF STANDARDIZED PROCESS FOR ALL BOARD GRANT PROGRAMS 216

ITEM 18: CONSIDERATION OF APPOINTMENT/RENEWAL OF TWO LOAN COMMITTEE MEMBERS FOR THE RECYCLING MARKET DEVELOPMENT LOAN PROGRAM 257

ITEM 19: CONSIDERATION OF APPROVAL TO BEGIN THE 45-DAY COMMENT PERIOD FOR REGULATIONS PERTAINING TO FEDERAL SUBTITLE D FLEXIBILITIES FOR MUNICIPAL SOLID WASTE LAND-FILLS RECEIVING 20 TONS OR LESS PER DAY 259

ITEM 24: CONSIDERATION AN]) APPROVAL OF THE 1999 ANNUAL RULEMAKING CALENDAR 264

ADJOURNMENT 268

Please note: These transcripts are not individually approved and reviewed for accuracy.

APPEARANCES

MR. WESLEY CHESBRO, CHAIRMAN
MR. ROBERT C. FRAZEE, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, EXECUTIVE DIRECTOR
MR. KEITH SMITH, DEPUTY DIRECTOR
MR. ELLIOT BLOCK, LEGAL COUNSEL
MS. KATHY MARSH, COMMITTEE SECRETARY

Suite 100
(71 1072 South East Bristol Street
Santa Ana Heights, California 92707
(714) 444-4100 • FAX (714) 444-4411 • 1 (800) 622-6092

BRS barristers' reporting service

Please note: These transcripts are not individually approved and reviewed for accuracy.

Please note: These transcripts are not individually approved and reviewed for accuracy.

Please note: These transcripts are not individually approved and reviewed for accuracy.

Please note: These transcripts are not individually approved and reviewed for accuracy.

Please note: These transcripts are not individually approved and reviewed for accuracy.

AGENDA ITEM I: CALL TO ORDER

CHAIRMAN PENNINGTON: GOOD MORNING, AND WELCOME TO THE DECEMBER 16TH MEETING OF THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD.

AGENDA ITEM II: ROLL CALL AND DECLARATION OF QUORUM

CHAIRMAN PENNINGTON: WOULD THE SECRETARY CALL THE ROLL, PLEASE?

THE SECRETARY: BOARD MEMBER EATON?

MEMBER EATON: HERE.

THE SECRETARY: FRAZEE?

MEMBER FRAZEE: HERE.

THE SECRETARY: JONES?

MEMBER JONES: HERE.

THE SECRETARY: RHOADS?

MEMBER RHOADS: HERE.

THE SECRETARY: ROBERTI?

MEMBER ROBERTI: HERE.

THE SECRETARY: CHAIRMAN PENNINGTON?

CHAIRMAN PENNINGTON: HERE.

WE HAVE A QUORUM.

ITEM III: OPENING REMARKS

CHAIRMAN PENNINGTON: DO ANY OF THE MEMBERS HAVE EX PARTES? I'LL START WITH MR. EATON.

Please note: These transcripts are not individually approved and reviewed for accuracy.

MEMBER EATON: NONE TO REPORT, SIR.

CHAIRMAN PENNINGTON: MR. JONES?

MEMBER JONES: MINE ARE ALL UP TO DATE, SIR.

CHAIRMAN PENNINGTON: MR. FRAZEE?

MEMBER FRAZEE: MINE ARE ALL IN THE RECORD.

CHAIRMAN PENNINGTON: MR. RHOADS?

MEMBER RHOADS: NONE.

CHAIRMAN PENNINGTON: SENATOR ROBERTI?

SENATOR ROBERTI: NONE TO REPORT.

CHAIRMAN PENNINGTON: AND NONE FROM THE CHAIR.

FOR THOSE OF YOU IN THE AUDIENCE, THERE ARE SPEAKER REQUEST FORMS BACK ON THE BACK TABLE THERE. IF YOU WISH TO ADDRESS ANY ITEM THAT’S ON THE AGENDA THIS MORNING PLEASE FILL ONE OUT AND GET IT TO MS. KELLY HERE, WHO WILL MAKE SURE THAT WE KNOW OF YOUR DESIRE TO SPEAK.

ITEM IV: REPORTS AND PRESENTATIONS

MEMBER RHOADS: COULD I MAKE JUST ONE BRIEF COMMENT?

CHAIRMAN PENNINGTON: SURE.

MEMBER RHOADS: BOARD MEMBER EATON

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 ASKED ME A QUESTION YESTERDAY ABOUT SOME OF THE
2 JURISDICTIONS IN, I THINK IT WAS FRESNO COUNTY
3 AND -- RELATED TO THE PROGRAMS AND THE FRUIT
4 CULLS AND SO FORTH.
5 MEMBER EATON: DINUBA.
6 MEMBER RHOADS: DINUBA. AND I THOUGHT
7 A LITTLE BIT ABOUT THAT QUESTION LAST NIGHT,
8 AND THERE'S ANOTHER ASPECT OF IT I'D LIKE TO
9 TAKE A MINUTE TO RESPOND TO.
10 ONE OF THE OTHER THINGS I WOULD
11 LIKE TO SEE THE BOARD DO ON THEIR HOME PAGE IS
12 TO LIST THE VARIOUS -- BY COMMUNITIES, BY
13 JURISDICTIONS THE VARIOUS PROGRAMS THAT THOSE
14 JURISDICTIONS HAVE. BUT LISTED IN A WAY THAT
15 THE CITIZENS FROM THOSE JURISDICTIONS WOULD BE
16 ABLE TO CALL UP, WOULD BE ABLE TO SEE THOSE
17 PROGRAMS, WOULD BE ABLE TO COMPARE WHAT THEIR
18 COMMUNITIES ARE DOING TO OTHER COMMUNITIES, BE
19 ABLE TO FIND OUT WHAT THE EXEMPLARY PROGRAMS
20 ARE IN THE STATE.
21 AND I THINK THAT WOULD SERVE A
22 COUPLE DIFFERENT PURPOSES. ONE PURPOSE WOULD
23 BE IF A COMMUNITY IS NOT IMPLEMENTING A PROGRAM
24 THAT THEY'RE REPORTING TO US WE WOULD FIND THAT
25 OUT VERY QUICKLY. IF A COMMUNITY'S NOT DOING

Please note: These transcripts are not individually approved and reviewed for accuracy.

PROGRAMS THAT OTHER COMMUNITIES ARE DOING THE CITIZENS OF THE COMMUNITY WOULD PUT PRESSURE. SO, INSTEAD OF US ALWAYS PUTTING THE PRESSURE FROM THE TOP, THIS I THINK WOULD RESULT IN SOME PRESSURE FROM THE BOTTOM. AND YOU HAVE TO MAKE THIS SYSTEM -- AND THE TECHNOLOGY'S OBVIOUSLY THERE -- VERY USER-FRIENDLY, WITH DESCRIPTIONS ABOUT THE PROGRAMS AND IN ENGLISH THAT THE AVERAGE CITIZEN COULD UNDERSTAND. BUT I THINK THAT'S ANOTHER FEATURE ON THE INFORMATION AGE THAT THE BOARD COULD DO, WHICH WOULD BE VERY, VERY USEFUL.

CHAIRMAN PENNINGTON: THANK YOU, MR. RHOADS. ANNOUNCEMENTS. AGENDA ITEM 20 IS PULLED FROM TODAY'S AGENDA, THAT'S THE SISKIYOU COUNTY BOARD OF SUPERVISORS HAVE WAIVED THE 60-DAY CLOCK ON THE PERMIT AND WILL BE WORKING WITH OUR STAFF TO RESOLVE OUTSTANDING ISSUES. I'D ALSO LIKE TO ANNOUNCE THAT MR. FRAZEE'S ADVISOR, JONATHAN CLAY, WILL BE LEAVING, I THINK FRIDAY IS HIS LAST DAY. AND I JUST WANTED TO SAY THAT HE HAS BEEN A CHEERY FACE TO HAVE AROUND HERE, AND WE'RE GOING TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

MISS HIM. AND I KNOW THAT MR. FRAZEE WILL MISS HIM A GREAT DEAL MORE THAN ALL THE REST OF US WILL, BUT IT'S BEEN NICE TO HAVE HIM HERE AT THE BOARD AND WE WISH HIM WELL IN WHAT ENDEAVORS HE PURSUES AFTER EATING AT THE PUBLIC TROUGH. (APPLAUSE)

OKAY. NEXT WE ARE GOING TO GIVE SOME CERTIFICATES OF APPRECIATION TO THE LOCAL GOVERNMENT TECHNICAL ASSISTANCE ADVISORY COMMITTEE MEMBERS. SO I'M GOING TO GO UP THERE, AND WHILE I'M DOING THAT, DO ANY BOARD MEMBERS HAVE ANY....

CHAIRMAN PENNINGTON: FIRST I WANT TO SAY THAT LGTAC HAS BEEN A PART OF THE BOARD SINCE ITS INCEPTION, AND IT HAS STRUGGLED OVER THE YEARS IN TRYING TO FIND A PLACE TO BE A VOICE WITH THE BOARD. I THINK THAT'S BEEN A DIFFICULT SITUATION, BUT IT'S NOT BECAUSE OF A LACK OF EFFORT ON THEIR PART. THEY HAVE WORKED VERY HARD AT TRYING TO GIVE US LOTS OF GOOD ADVICE AND TO HELP POINT US IN DIRECTIONS THAT ARE VALUABLE TO LOCAL GOVERNMENT. AND WHILE WE MAY NOT SEEM TO APPRECIATE THAT, I THINK THAT THAT IS A MISCONCEPTION, THAT WE DO APPRECIATE THE WORK THAT THEY HAVE DONE. AND CERTAINLY

Please note: These transcripts are not individually approved and reviewed for accuracy.

WITHIN THE PAST COUPLE OF YEARS THEY HAVE MADE A VALIANT EFFORT TO BE OF GREAT ASSISTANCE AND ADVICE TO US.

UNFORTUNATELY, THE LEGISLATION THAT EXTENDED THEM WAS NOT APPROVED ALL THE WAY, AND SO THEY WILL CEASE TO BE A FORMAL PART OF THE BOARD AT THE END OF THIS YEAR. SO WE WANT TO RECOGNIZE THEIR HARD WORK AND THEIR EFFORTS IN TERMS OF WHAT THEY HAVE CONTRIBUTED TO THE BOARD. SO I HAVE SOME CERTIFICATES HERE.

THE FIRST ONE GOES TO DAVID MYERS. CONGRATULATIONS. THANK YOU FOR ALL YOUR HARD WORK AND EFFORT, DAVID, IT’S BEEN A GREAT SIX YEARS. (APPLAUSE)

MICHAEL MOHAJER: THANK YOU. (APPLAUSE)

LIZ CITRINO, WHO’S THE CHAIRMAN OF THE -- OR CHAIRWOMAN OF THE COMMITTEE. AND I WANT TO SAY THAT SHE SPECIFICALLY HAS WORKED VERY HARD AT TRYING TO BE A MAJOR FACTOR IN OUR EFFORTS HERE AT THE BOARD. SO CONGRATULATIONS. AND SHE COMES FROM A LONG WAYS AWAY, UP IN HUMBOLDT. (APPLAUSE)

JIM KUHL: THANK YOU VERY MUCH. (APPLAUSE)

JOHN BROOKS: HE’S TRYING TO COMPETE WITH ME IN TIES. CONGRATULATIONS.

Please note: These transcripts are not individually approved and reviewed for accuracy.

(APPLAUSE)

JOHN WELBOURN. THANK YOU.

(APPLAUSE)

BOB EPLER. (APPLAUSE)

JAN GOSS. (APPLAUSE)

JOCELYN REED. (APPLAUSE)

MS. CITRINA: THANK YOU, CHAIRMAN PENNINGTON, MEMBERS OF THE BOARD. THIS COMMITTEE IS HERE BEFORE YOU TODAY FOR THE LAST TIME. SEVERAL OF THE MEMBERS HAVE SERVED LONGER THAN MOST OF YOU, AND IN MANY RESPECTS THE RELATIONSHIP BETWEEN THE COMMITTEE AND THE BOARD HAS MIRRORED THE CHANGING RELATIONSHIP BETWEEN THE BOARD AND LOCAL GOVERNMENTS IN GENERAL.

THAT RELATIONSHIP BEGAN AS AN ADVERSARIAL PROCESS WITH THE BOARD AND ITS STAFF FOCUSED ON ITS TRADITIONAL ROLE AS REGULATOR AND ENFORCER, WHILE LOCAL GMS STRUGGLED TO UNDERSTAND AND COMPLY WITH THE REQUIREMENTS OF AB 939. HOPEFULLY THAT RELATIONSHIP HAS EVOLVED AND WILL CONTINUE TO EVOLVE INTO A PROACTIVE AND PRODUCTIVE PARTNERSHIP WHERE LOCAL ASSISTANCE TRULY MEANS ASSISTANCE, AND WHERE ALL JURISDICTIONS, NO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MATTER HOW GOOD OR BAD THEIR NUMBERS, CAN
2 HONESTLY BE FOUND TO BE MAKING A GOOD-FAITH
3 EFFORT TO IMPLEMENT PROGRAMS.
4 WE WOULD LIKE TO THANK THE MANY
5 STAFF MEMBERS WHO HAVE SUPPORTED AND ASSISTED
6 US THROUGHOUT THE COMMITTEE'S EXISTENCE,
7 INCLUDING JUDY FRIEDMAN, DOROTHY RICE, AND
8 KEITH SMITH. IN PARTICULAR WE WISH TO THANK
9 TERRY GRAY, WHO HAS BEEN THE STAFF CONTACT FOR
10 AS LONG AS I HAVE SERVED ON THE COMMITTEE. SHE
11 HAS ALWAYS BEEN HELPFUL, PATIENT, ATTENTIVE AND
12 CHEERFUL THROUGHOUT THE ENTIRE TIME.
13 I WOULD ALSO LIKE TO PERSONALLY
14 THANK ALL THE MEMBERS OF THE COMMITTEE FOR
15 THEIR HARD WORK AND DEDICATION.
16 FINALLY, I WOULD LIKE TO EXPRESS
17 TWO PERSONAL REGRETS. THE FIRST REGRET IS THAT
18 WE AS A GROUP HAVE BEEN UNABLE TO CONVINCE THE
19 LEGISLATURE, OR WHOMEVER, OF OUR CONTINUING
20 VALUE AS A TOOL FOR IMPROVING COMMUNICATION
21 WITH LOCAL GOVERNMENTS.
22 DESPITE AN AMBITIOUS WORK PLAN,
23 IMPLEMENTATION OF THE TRASH-CUTTER'S AWARDS
24 PROGRAM, AND THE DEVELOPMENT OF THE CASE
25 STUDIES PROJECT -- WHICH I THINK FULFILL SOME

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 OF THE REQUIREMENTS THAT BOARD MEMBER RHOADS
2 WAS DISCUSSING EARLIER IN TERMS OF EXAMPLES OF
3 OUTSTANDING PROGRAMS -- WITHIN A VERY SHORT
4 TIME FRAME, THE BOARD IS NOW FACED WITH THE
5 CHALLENGE OF DEMANDING EVEN MORE FROM ITS LOCAL
6 ASSISTANCE STAFF IN IMPROVING THE FLOW OF
7 INFORMATION TO AND FROM LOCAL GOVERNMENTS,
8 WHICH IS A CRITICAL ELEMENT IN AN ATTEMPT TO
9 ACHIEVE THE 50 PERCENT REDUCTION MANDATE.
10 THE SECOND REGRET IS THAT WE ARE
11 ALL GOING HOME BEFORE THE JOB IS FINISHED.
12 ALTHOUGH WE ALL RETURN TO OUR COMMUNITIES TO
13 CONTINUE OUR WORK, THE JOB IS FAR FROM
14 COMPLETE. WE HOPE THAT THE BOARD WILL
15 RECOGNIZE THE NEED TO REPLACE THIS COMMITTEE
16 WITH ANOTHER VEHICLE CAPABLE OF SERVING THE
17 CRITICAL NEED OF ENCOURAGING AN OPEN EXCHANGE
18 OF IDEAS, SUCCESSES AND FAILURES IF WE ARE TO
19 ACHIEVE 50 PERCENT REDUCTION.
20 ALTHOUGH I'M CERTAIN YOU'LL SEE
21 MANY OF OUR FACES FROM TIME TO TIME, IT WILL
22 CERTAINLY BE UNDER DIFFERENT CIRCUMSTANCES.
23 THANK YOU.
24 CHAIRMAN PENNINGTON: THANK YOU, LIZ.
25 (APPLAUSE)

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 OKAY. WE'LL MOVE ON TO ADDENDUM
2 ITEM NUMBER ONE, CONSIDERATION AND REDIRECTION
3 OF FUNDING TO SUPPORT SPONSORSHIP OF THE
4 CALIFORNIA HEARTLAND TELEVISION SERIES FOR
5 FISCAL YEAR 1998-99. CAREN TRGOVCICH.
6 MS. TRGOVCICH: GOOD MORNING, CHAIRMAN
7 PENNINGTON, AND MEMBERS. I'M CAREN TRGOVCICH,
8 DEPUTY DIRECTOR OF THE WASTE PREVENTION AND
9 MARKET DEVELOPMENT DIVISION.
10 THIS MORNING I AM GOING TO PROVIDE
11 YOU, ALONG WITH REPRESENTATIVES OF KYLE, A
12 PRESENTATION OF A PROPOSAL THAT WAS RECEIVED
13 SEVERAL WEEKS AGO IN OUR OFFICES. THIS
14 PROPOSAL, WHILE IT WAS UNSOLICITED, APPEARED TO
15 WARRANT ENOUGH MERIT IN RELATIONSHIP TO OUR
16 PROGRAMS TO BRING IT FORWARD AT THIS MEETING OF
17 THE BOARD.
18 ALTHOUGH THIS WAS A VERY SHORT TIME
19 LINE IN WHICH WE RECEIVED THE PROPOSAL TO THE
20 TIME IN WHICH WE PLACED IT ON THE BOARD'S
21 AGENDA WE FELT THAT, GIVEN THE NATURE OF THE
22 PROPOSAL, AND THE DEADLINE THAT KVIE
23 REPRESENTATIVES HAD REGARDING THEIR ABILITY TO
24 LOCK ON SPONSORSHIPS THAT IT WAS IMPORTANT FOR
25 YOU TO HEAR IT ON THIS MORNING'S AGENDA.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THE PROPOSAL ESSENTIALLY IS FOR A

2 $100,000 SPONSORSHIP FOR KYLE'S CALIFORNIA

3 HEARTLAND SERIES. THIS SERIES IS AIRED

4 THROUGHOUT CALIFORNIA, AS WELL AS SEVERAL OTHER

5 STATES, AS YOU WILL HEAR SHORTLY.

6 I WOULD LIKE TO BRIEFLY SUMMARIZE

7 WHAT THE BOARD WILL RECEIVE IN RETURN FOR THE

8 SPONSORSHIP MONIES, AND THEN I WILL TURN THE

9 PRESENTATION OVER TO REPRESENTATIVES OF KVIE.

10 THE $100,000 SPONSORSHIP WOULD

11 PROVIDE THE BOARD WITH ACCESS TO THE PROGRAM'S

12 CONTENT IN TERMS OF BEING ABLE TO PROVIDE SOME

13 ASSISTANCE AND SOME OF OUR EXPERTISE IN TERMS

14 OF THE PROGRAM'S NATURE.

15 IT WOULD INCLUDE THE ABILITY TO

16 HAVE A WEB PAGE ON THE PROGRAM'S WEB SITE.

17 THEIR WEB PAGE HAS BEEN VISITED BY OVER 1.3 MILLION

18 VISITORS THIS PAST YEAR.

19 THEY RECEIVE WELL OVER 50,000 HITS AFTER EACH

20 AIRING OF A PROGRAM.

21 FOR THOSE OF YOU THAT MAY WATCH THE

22 PROGRAM, AND THOSE OF YOU THAT DON'T, THE

23 PROGRAM AIRS IN THE SACRAMENTO AREA ON SATURDAY

24 NIGHTS AT 7:00.

25 ADDITIONALLY, WE WOULD HAVE THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 AVAILABILITY OF THE PROGRAM'S HOST TO SPEAK
2 OCCASIONALLY ON BEHALF OF THE BOARD. AS YOU
3 ARE AWARE, THIS PROGRAM ATTEMPTS TO INTERFACE
4 OR INTEGRATE THE AGRICULTURE INDUSTRY WITH
5 URBAN CALIFORNIA. THE PROGRAM SEES THE
6 DISCONNECTED NATURE OF URBAN CALIFORNIA AS
7 BEING ONE OF ITS TARGETS THAT IT WANTS TO
8 ADDRESS.
9 WE WOULD ADDITIONALLY RECEIVE THE
10 USE OF THE CALIFORNIA HEARTLAND LOGO, AS WELL
11 AS PERMISSION FOR THE BOARD TO USE THE SHOW'S
12 PROGRAMS OR FEATURES FOR NON-BROADCAST
13 EDUCATIONAL OR PROMOTIONAL ACTIVITIES THAT WE
14 HAVE UNDER WAY.
15 VERY BRIEFLY, THIS PROPOSAL WOULD
16 FIT VERY NICELY WITHIN THE GREENING TEAM'S
17 PLAN. AS YOU'RE AWARE, YOU RECEIVED A
18 PRESENTATION BY THE GREENING TEAM ON THE STATUS
19 OF THEIR EFFORTS AT YOUR MEETING LAST MONTH.
20 THIS PLAN, OR THIS PROPOSAL WOULD FIT IN UNDER
21 TARGET SIX, WHICH IS PROMOTING PARTNERSHIPS
22 WITH AGRICULTURE. SO WE WOULD SEE THIS AS NOT
23 A SEPARATE ACTIVITY BUT AN ACTIVITY THAT
24 INTEGRATES WITH THE OVERALL APPROACH OF OUR
25 ORGANICS PROGRAMS.

Please note: These transcripts are not individually approved and reviewed for accuracy.

WITH THAT I'D LIKE TO TURN THE PRESENTATION OVER TO TWO REPRESENTATIVES OF KYLE. I WILL ASK TO COME FORWARD BOTH JAN TILMAN, WHO IS THE EXECUTIVE PRODUCER FOR KYLE, AS WELL AS BOB VICE, WORKING WITH KVIE ON THE CALIFORNIA HEARTLAND SERIES AS WELL.

MR. VICE: THANK YOU VERY MUCH FOR THE OPPORTUNITY TO BRING THIS PROPOSAL TO YOU TODAY. AS CAREN HAS POINTED OUT, I THINK THAT THERE'S A LOT OF COMMON GROUND BETWEEN WHAT YOU'RE TRYING TO ACCOMPLISH AND WHAT THIS PROGRAM EACH WEEK TRIES TO ACCOMPLISH. AND I THINK IF -- ALLOW ME JUST A MOMENT, I'D LIKE TO STEP BACK AND GIVE YOU A LITTLE BIT OF HISTORY OF WHY THIS PROGRAM CAME INTO BEING, AND WHY IT SEEMS TO BE SO POPULAR WITH THE URBAN AS WELL AS RURAL AUDIENCES. WE HAVE BECOME A SOCIETY THAT IS FARTHER AND FARTHER REMOVED FROM THE FARM. IT WASN'T TOO MANY GENERATIONS AGO THAT ALL OF US HAD SOME RELATIVE THAT -- GRANDFATHER, UNCLE, AUNT THAT WAS ON THE FARM, AND THAT'S JUST NOT TRUE ANYMORE. AND A LOT OF PEOPLE ARE UNAWARE OF WHAT IT TAKES TO PUT FOOD ON THEIR TABLE, AND A LOT OF PEOPLE IN THE URBAN AREAS FIND A

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 GREAT DEAL OF INTEREST IN FARMING ISSUES. THEY
2 STILL HAVE THAT ATTRACTION.
3 THE AGRICULTURE COMMUNITY CAME
4 TOGETHER TO SPONSOR THIS PROGRAM, IT'S HEAVILY
5 SPONSORED BY THE AGRICULTURAL COMMUNITY. BUT
6 WE ALSO REACHED OUT -- WANT TO REACH OUT TO
7 OTHER AUDIENCES, BECAUSE THE CREDIBILITY THAT
8 COMES WITH THE PUBLIC BROADCASTING, IT'S
9 SOMETHING THAT WE KNOW IS LEGENDARY. THERE IS
10 A -- THE AUDIENCES THAT WATCH PUBLIC TELEVISION
11 WATCH NOT ONLY FOR THE ENTERTAINMENT VALUE, BUT
12 ALSO FOR THE EDUCATIONAL VALUE.
13 ONE OF THE THINGS THAT WE KNOW THAT
14 THIS PROGRAM BRINGS ABOUT IS A VERY LOYAL
15 AUDIENCE, IT'S A GROWING AUDIENCE. JAN WILL
16 TALK IN A FEW MOMENTS ABOUT THE ACTUAL NUMBERS
17 OF AUDIENCES AND THE GROWING STATION
18 PARTICIPATION, AS IT SEEMS TO BE GETTING TO
19 BETTER AND BETTER TIMES, THE STATIONS FIND THAT
20 THIS PROGRAM IS SOMETHING THEIR VIEWERS LIKE,
21 IT'S FINDING ITS WAY INTO MORE PRIME TIME, AND
22 THAT'S INCREASING THE AUDIENCE VIEW ALSO.
23 THIS IS AN OPPORTUNITY I BELIEVE TO
24 TAKE SOME OF THE PROGRAMS THAT YOU ARE TRYING
25 TO INSTITUTE, PARTICULARLY AS IT RELATES TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

AGRICULTURE, AND HIGHLIGHT THOSE AS PROGRAMS THAT HAVE A GREAT DEAL OF INTEREST, IF THEY'RE WELL-KNOWN IN THE AGRICULTURE COMMUNITY. WE'VE DONE A COUPLE OF RECYCLED TYPE PROGRAMS, WORKING WITH STRAW. THOSE -- THE ISSUE OF STRAW BURNING IS ONE THAT'S VERY IMPORTANT TO OUR AUDIENCES HERE IN -- PARTICULARLY IN THE SACRAMENTO AREA. WE DID A STORY ABOUT HOW THAT RECYCLING STRAW IS ACTUALLY BEING USED IN HOMES. WE GOT A TREMENDOUS AMOUNT OF OUTPOURING OF INTEREST IN THAT PROGRAM, A LOT OF PEOPLE WANTED TO KNOW MORE ABOUT IT. AND PARTICULARLY IN THE AGRICULTURE AUDIENCES. THERE WERE AN AWFUL LOT OF PEOPLE, EVEN IN THE RICE BUSINESS, THAT DID NOT REALIZE THERE WAS A PROGRAM LIKE THIS. SO, I THINK THAT IT HAS A LOT OF OPPORTUNITY HERE FOR YOU TO GET YOUR MESSAGE OUT THROUGH A VERY CREDIBLE ENDEAVOR, WHICH IS PUBLIC BROADCASTING, AND ONE THAT I HOPE WOULD SEE -- YOU WOULD SEE THE WISDOM IN TRYING TO TIE THESE TWO TOGETHER. JAN WILL TALK A LITTLE BIT ABOUT THE WEB PAGE AND HOW THAT HAS BECOME AN EXCITING PART OF THIS FOR OUR SPONSORS. TWO OR

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THREE OF OUR SPONSORS HAVE INDICATED THEY WERE
2 JUST ABSOLUTELY OVERWHELMED WITH THE AMOUNT OF
3 PARTICIPATION THAT THEY'RE GETTING THROUGH
4 THEIR WEB SITE, AS FAR AS BEING ABLE TO GET
5 THEIR INFORMATION OUT TO THE PUBLIC.
6 I'LL LET JAN GIVE YOU SOME
7 INFORMATION ABOUT THE DEMOGRAPHICS OF THIS, AND
8 THEN I'LL BE GLAD TO TRY TO ANSWER ANY
9 QUESTIONS THAT YOU MIGHT HAVE. THANK YOU.
10 MS. TILLMAN: GOOD MORNING, MY NAME IS
11 JAN TILLMAN, I AM THE EXECUTIVE DIRECTOR FOR
12 PROGRAMMING AND PRODUCTION AT KVIE. THANK YOU
13 VERY MUCH FOR ALLOWING US TO COME AND TALK WITH
14 YOU THIS MORNING,
15 CALIFORNIA HEARTLAND WENT ON THE
16 AIR IN OCTOBER OF 1996. IT'S JUST AMAZING TO
17 ME THAT WE'RE JUST ABOUT IN 1999, IN THE THIRD
18 YEAR OF THIS WEEKLY TELEVISION SERIES.
19 PUBLIC TELEVISION'S MISSION IS TO
20 INFORM, EDUCATE, AND ENHANCE THE QUALITY OF
21 LIFE OF ITS VIEWERS. AND WE SET A PRETTY HIGH
22 BAR FOR THAT, WE HAVE GREAT EXPECTATIONS OF THE
23 PRODUCT THAT WE CREATE AND PRODUCE AND DELIVER
24 TO OUR AUDIENCES.
25 CALIFORNIA HEARTLAND EXCEEDED THOSE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 EXPECTATIONS IN EVERY CATEGORY. THE SERIES IS
2 LARGELY DESIGNED TO APPEAL TO AN URBAN
3 AUDIENCE. WE KNEW THAT WE WOULD HAVE A RURAL
4 AUDIENCE. WE KNEW THAT PEOPLE WHO ARE IN
5 FARMING AND RANCHING, AND ALLIED INDUSTRIES TO
6 AGRICULTURE, WOULD BE INTERESTED IN THIS
7 PROGRAM. IT’S KIND OF FOR AND ABOUT THEM. WE
8 KNEW THAT WE NEEDED TO REACH AN URBAN AUDIENCE.
9 AND SO WHAT WE ACCOMPLISHED BY
10 REACHING BOTH IS THE DEVELOPMENT OF A VERY
11 SIGNIFICANT AUDIENCE THAT WE CALL APPOINTMENT
12 VIEWERS. WE CAN LOOK -- AND WE’VE DONE SOME
13 RESEARCH THROUGH NIELSEN -- WE CAN LOOK AT THE
14 PATTERN OF VIEWING AND KNOW THAT, IN ADDITION
15 TO PEOPLE TELLING US ON OUR E-MAIL AND OUR WEB
16 SITE, THAT THEY NEVER MISS A SHOW THAT IT’S
17 TRUE. BECAUSE WE SEE PEOPLE COME IN AND OUT OF
18 THE AUDIENCE ON ALL OF THE STATIONS THAT THE
19 SHOW AIRS THROUGHOUT CALIFORNIA. IT LITERALLY
20 HAS BECOME APPOINTMENT VIEWING. WE THINK THAT
21 THERE IS A COUPLE OF REASONS FOR THE SUCCESS OF
22 THE SERIES.
23 ONE CERTAINLY IS THE QUALITY OF
24 PRODUCTION AND OUR HOST. OUR HOST IS GEORGE
25 READING. HE’S A VERY, VERY RESPECTED

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 JOURNALIST AND BROADCASTER, RETIRED FROM THE

2 NEWS BUSINESS, CHARISMATIC, PRETTY HANDSOME.

3 HE'S GOT A FAN CLUB, AND WE'VE GOT A SPECIAL E4 MAIL ADDRESS FOR HIS

FAN CLUB, AND THAT'S OKAY,

5 AND GEORGE WRITES BACK, WHICH IS REALLY NICE.

6 BUT THE SECOND REASON IS BECAUSE WE

7 CREATED THIS WITH PRODUCTION VALUES AND A

8 PRODUCTION QUALITY THAT CONTEMPORARY VIEWERS

9 ARE USED TO, IT'S A FAST-PACED MAGAZINE FORMAT.

10 WE ENTERTAIN PEOPLE WHILE WE EDUCATE AND INFORM

11 THEM, AND THEY JUST GO ALONG WITH IT. THEY

12 NEVER LEAVE THE SHOW.

13 THE OTHER THING THAT OUR NIELSEN

14 AUDIENCE RESEARCH SHOWS US IS ONCE THEY TUNE IN

15 THEY DON'T TUNE OUT. AND THAT IS A KEY FACTOR

16 FOR US WHEN WE EVALUATE THE QUALITY OF OUR

17 PRODUCT. PEOPLE TUNE IN AND TUNE OUT, THEY USE

18 THOSE REMOTE CONTROLS—NOT WHEN THEY WATCH

19 CALIFORNIA HEARTLAND. THEY TUNE IN, THEY DON'T

20 LEAVE. OUR AUDIENCE GROWS THROUGHOUT THE HALF

21 HOUR.

22 WE ARE VERY, VERY PROUD OF THE

23 SHOW. WE HAVE QUANTIFIABLE STATISTICS, WE KNOW

24 THAT WE'RE GETTING 500,000 TO 600,000 PEOPLE

25 WHO TUNE IN TO THIS SHOW EACH AND EVERY WEEK

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THROUGHOUT CALIFORNIA ALONE.
2 WE ARE NOT COLLECTING AUDIENCE DATA
3 FROM OUT OF THE STATE, SO WE HAVE ADDITIONAL
4 VIEWERS. THE SHOW EVEN AIRS IN GUAM, WE DON'T
5 KNOW WHY. WE KNOW THEY DO BECAUSE WE GET LOTS
6 OF E-MAIL FROM PEOPLE WHO SAY CAN I HAVE THAT
7 RECIPE, YOU KNOW, THAT I SAW ON THE SHOW LAST
8 WEEK, AND THEY'RE WRITING US FROM GUAM. WE'RE
9 NOT OBJECTING. I'M SURE IT MAKES THEM HAPPY,
10 IT MAKES US HAPPY TOO.
11 BUT, WE DO KNOW THAT WE HAVE
12 DEVELOPED THIS LOYAL FOLLOWING WITH THE
13 PROGRAM. WE KNOW THAT PEOPLE HAVE CHANGED
14 THEIR ATTITUDE ABOUT AGRICULTURE.
15 THERE'S A LINE COMMERCIAL I'VE
16 HEARD RECENTLY -- I DON'T KNOW IF IT'S ON
17 TELEVISION, BUT I'VE HEARD IT ON THE RADIO, AND
18 I DON'T REMEMBER WHO THE WINERY IS -- BUT, THEY
19 MAKE A REFERENCE TO WE DON'T HAVE ANY INTEREST
20 IN AGRICULTURE IN OUR HOUSEHOLD, JUST KNOW THAT
21 THIS WINE COMES FROM SOMEPLACE, SUCH-AND-SUCH,
22 SOME NAME. AND I AM JUST SO TEMPTED TO CALL
23 THEM AND SAY YOU DON'T KNOW YOU'RE INTERESTED
24 IN AGRICULTURE, BUT YOU ARE. BECAUSE THAT'S
25 WHAT WE HAVE DISCOVERED OVER TIME, AS WE'VE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 BEEN PRODUCING THE SERIES.
2 ONE OF THE THINGS THAT WE LOOK AT
3 IN CALIFORNIA HEARTLAND IS INNOVATION, BECAUSE
4 OUR VIEWERS APPRECIATE IT, THEY LOVE IT. WE
5 DID A SEGMENT WE CALL “BEAGLE DOGS” AT THE SAN
6 FRANCISCO AIRPORT, AND THESE ARE THE DOGS THAT
7 ARE ON PATROL SO THAT THEY CAN CHECK IMPORTS AS
8 THEY COME IN TO ENSURE THAT NOTHING IS COMING
9 INTO THE U.S. THAT IS GOING TO INFEST THE
10 CROPS. AND IT WAS EXTREMELY ENTERTAINING, THE
11 DOGS ARE ADORABLE, THE CAMERA’S FOLLOWING THE
12 DOGS. BUT ALONG THE WAY, DURING THAT FEATURE
13 SEGMENT, VIEWERS WERE UNDERSTANDING WHY IT’S
14 CRITICALLY IMPORTANT TO HAVE THOSE SAFEGUARDS,
15 AND WHAT WILL HAPPEN IF WE DON’T.
16 SO, WE’RE USING THOSE KINDS OF
17 TECHNIQUES TO BE ABLE TO EDUCATE. AND WE FOUND
18 THAT THIS IS A FORMULA THAT IS SUCCESSFUL.
19 WE’RE VERY, VERY PROUD OF THE SERIES.
20 I THINK ONE OF THE THINGS THAT I
21 WANTED TO CONVEY TO YOU IS THE VALUE OF BEING
22 ASSOCIATED WITH THIS WEB SITE. THE 10-SECOND
23 CREDIT THAT YOU WOULD HAVE ON EACH OF THESE 52
24 PROGRAMS THAT GO OUT EVERY WEEK CAN HAVE YOUR
25 WEB SITE ADDRESS. BUT IN ADDITION TO THAT, A

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 FEATURED SPONSOR FOR CALIFORNIA HEARTLAND HAS
2 THE OPPORTUNITY TO HAVE A HOT LINK ON THE HOME
3 PAGE OF THE CALIFORNIA HEARTLAND WEB SITE.
4 THERE ARE ONLY TWO OTHER SPONSORS ON THAT SITE,
5 THE FARM BUREAU AND CAL FARM, AND THEY ARE OUR
6 MAJOR SPONSORS. SO THE MAJOR SPONSOR AND
7 FEATURE SPONSOR ARE THE ONLY TWO THAT HAVE THAT
8 OPPORTUNITY.
9 I THINK THAT YOU WILL FIND, IN
10 TERMS OF BEING ABLE TO CONVEY THE INFORMATION
11 THAT YOU HAVE ABOUT THE INNOVATIVE PROGRAMS
12 THAT YOU ARE DOING HERE, THAT THAT IS ONE OF
13 THE MOST VALUABLE ASSOCIATIONS THAT YOU WILL BE
14 ABLE TO HAVE WITH THE SERIES.
15 50 I'D BE HAPPY TO ANSWER ANY
16 QUESTIONS, AND SO WOULD BOB, IF YOU HAVE THEM.
17 CHAIRMAN PENNINGTON: QUESTIONS? MR.
18 EATON.
19 MEMBER EATON: WHEN IS YOUR PROGRAMMING
20 CYCLE? IS IT JUNE TO JUNE?
21 MS. TILLMAN: NO, IT'S --
22 MEMBER EATON: JANUARY TO JANUARY?
23 MS. TILLMAN: --OCTOBER THROUGH
24 SEPTEMBER. SO IT'S OCTOBER OF 1998 THROUGH
25 SEPTEMBER OF 1999.

Please note: These transcripts are not individually approved and reviewed for accuracy.

MEMBER EATON: OKAY.

MS. TRGOVCICH: MR. CHAIRMAN, IF YOU WOULD LIKE, I COULD SUMMARIZE THE--

CHAIRMAN PENNINGTON: SURE.

MS. TRGOVCICH: -- THE OPTIONS, THEN, THAT WOULD BE BEFORE THE BOARD.

CHAIRMAN PENNINGTON: SURE.

MEMBER EATON: I HAVE A FEW QUESTIONS FOR STAFF AFTER YOU SUMMARIZE.

MS. TRGOVCICH: CERTAINLY. THE AGENDA ITEM CONTAINS SEVERAL OPTIONS FOR FUNDING CALIFORNIA HEARTLAND. AND IF YOU LOOK ON PAGE THREE OF THE ITEM YOU WILL SEE THAT THERE ARE SEVERAL ALTERNATIVES LISTED. I WOULD LIKE TO BRIEFLY SUMMARIZE THEM, AND THEN INCLUDE AN ADDITIONAL OPTION AS IT RELATES TO FUNDS PREVIOUSLY EARMARKED FOR CONTRACT CONCEPTS. THE FIRST ALTERNATIVE IS TO REDIRECT FUNDS THAT WERE ALLOCATED THROUGH THE FISCAL YEAR ‘98-99 CONTRACTING PROCESS. SPECIFICALLY, WE ARE NOT RECOMMENDING REALLOCATION FROM THE IWMA CONTRACT CONCEPTS, THE CONTRACT CONCEPTS THAT WERE APPROVED UNDER THE RMDZ SUB-ACCOUNT PROVISIONS.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 SPECIFICALLY, THE ITEM REFERENCES
2 TWO CONTRACTS. IT REFERENCES CONTRACT NUMBER
3 48, WHICH WAS CALLED THE C&D ORDINANCE
4 CONTRACT. AS YOU'LL RECALL, I SENT YOU A MEMO
5 SEVERAL WEEKS AGO INDICATING THAT WE HAD
6 DETERMINED THAT U.S. EPA HAD PREVIOUSLY FUNDED
7 ALMOST THE EXACT SAME CONCEPT AS WE HAD
8 PROPOSED, IT WAS MORE EXPANSIVE THOUGH. AND
9 CEC, THE COMMUNITY ENVIRONMENTAL COUNCIL, WAS
10 THE RECIPIENT OF THOSE FUNDS AND THEY ARE
11 COMMENCING WORK. THUS, WE HAVE WITHDRAWN THAT
12 CONCEPT AND WE WILL NOT BE PROCEEDING TO
13 PERFORM WORK.
14 WE WERE ALSO PROPOSING, UNDER
15 ALTERNATIVE 1, TO REDIRECT $50,000 FROM
16 CONTRACT CONCEPT NUMBER 52, WHICH WAS A CONCEPT
17 TO DECONSTRUCTION TRAINING. THAT CONCEPT WAS
18 APPROVED AT THE $100,000 LEVEL, AND IT WAS OUR
19 BELIEF, BASED UPON THE DECONSTRUCTION TRAINING
20 THAT HAD PREVIOUSLY BEEN CONDUCTED, THAT
21 $50,000 WOULD BE SUFFICIENT.
22 HOWEVER, SINCE THAT TIME -- AND
23 THIS IS THE ADDITIONAL APPROACH THAT I WOULD
24 LIKE TO ADD HERE -- WE HAVE RECEIVED A REVIEW
25 ON A SCOPE OF WORK FOR A CONTRACT CONCEPT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 PERTAINING TO C&D EDUCATIONAL CAMPAIGNS. AS
2 YOU WILL REMEMBER, THIS CONTRACT CONCEPT WAS
3 IDENTIFIED TO ASSIST PARTNERSHIPS UNDER THE C&D
4 PLAN. THIS CONCEPT COULD BE USED, FOR EXAMPLE,
5 TO PROVIDE IN-STORE DISPLAYS FOR PARTNERS UNDER
6 THE PROGRAM, SHELF-TOPPERS IN VARIOUS STORES,
7 EDUCATIONAL MATERIALS FOR SATURDAY CLINICS, AND
8 OTHER EDUCATIONAL SEMINARS DEALING WITH
9 PARTNERS UNDER C&D.
10 BASED UPON A REVIEW OF THAT CONCEPT
11 AND THE TASKS THAT WE HAD IDENTIFIED, IT WAS
12 DETERMINED THAT A NUMBER OF THOSE TASKS COULD
13 NOT BE CONTRACTED OUT AND, IN FACT, THEY WERE
14 TASKS THAT SHOULD BE PERFORMED BY STATE
15 EMPLOYEES. THUS, THAT WOULD FREE UP AN
16 ADDITIONAL $50,000 FROM THAT CONCEPT. AND IT
17 IS OUR UNDERSTANDING THAT THERE IS ADDITIONAL
18 WORK IN THE DECONSTRUCTION AREA THAT WOULD
19 WARRANT LEAVING THE $100,000 IN CONCEPT NUMBER
20 52 FOR THE ADDED FLEXIBILITY.
21 SO ALTERNATIVE NO. 1, TO SUMMARIZE,
22 WOULD BE THE REDIRECTION OF $50,000 FROM THE
23 C&D ORDINANCE CONTRACT, AND THE STAFF
24 RECOMMENDED REDIRECTION FROM THE C&D
25 EDUCATIONAL CAMPAIGN, FOR A TOTAL OF $100,000,

Please note: These transcripts are not individually approved and reviewed for accuracy.

SO 50 FROM EACH OF THOSE.
ALTERNATIVE NO. 2 WOULD BRING
BEFORE THE BOARD THE OPTION OF ALLOCATING SOME
OF THE UNALLOCATED FUNDS REMAINING FROM THE $4
MILLION SET ASIDE IN THE RMDZ SUB-ACCOUNT, AND
THAT WOULD BE ANOTHER OPTION THAT YOU WOULD
HAVE BEFORE YOU.
I'D LIKE TO ALSO POINT OUT, BEFORE
WE MOVE INTO ADDITIONAL QUESTIONS, THAT THE
ITEM ALSO REQUESTS AS A PART OF THE RESOLUTION
THAT YOU DELEGATE TO THE EXECUTIVE DIRECTOR THE
ABILITY TO SIGN AN AGREEMENT AND NOT BRING BACK
A SCOPE OF WORK.
AND THE REASON THAT WE ARE MAKING
THAT RECOMMENDATION IS, BECAUSE IF YOU WILL
LOOK ON PAGE TWO UNDER KEY ISSUES, THERE ARE
FOUR BULLET POINTS THERE. AND THOSE BULLET
POINTS ARE ESSENTIALLY THE SCOPE THAT WOULD BE
AGREED TO IF THE BOARD WERE TO PURSUE
SPONSORSHIP, SO YOU WOULD NOT NECESSARILY SEE
ANYTHING IN ADDITION TO THIS. THIS IS
PATTERNED AFTER OTHER AGREEMENTS THAT PUBLIC
TELEVISION HAS WITH ITS OTHER SPONSORS.
AND THAT CONCLUDES MY PRESENTATION.
I'D BE HAPPY TO ANSWER ANY QUESTIONS.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CHAIRMAN PENNINGTON: MR. EATON, YOU
2 HAD SOME QUESTIONS?
3 MEMBER EATON: YES. FIRST OFF, LET ME
4 JUST SAY THAT I DO ENJOY THE PROGRAM, I DO
5 SUPPORT THE STATION, AND THAT MY REMARKS AND MY
6 INQUIRY HAS NOTHING TO DO WITH THE PROGRAMMING
7 OR ITS CONTENT.
8 MY CONCERNS REVOLVE AROUND A NUMBER
9 OF ISSUES. FIRST AND FOREMOST, LET THERE BE NO
10 MISTAKE THAT THIS IS A SPONSORSHIP. I DON'T
11 CARE WHERE THE MONEY COMES FROM, YOU CAN TAKE
12 IT FROM ANY FUND YOU WANT, THIS IS A
13 SPONSORSHIP ITEM.
14 BE THAT AS IT MAY, IF YOU GO BACK
15 THROUGH THE '97-98 SPONSORSHIP PROGRAM THAT
16 THIS BOARD HAS SET AS A POLICY, AND WHAT
17 NORMALLY HAPPENS, AS I UNDERSTOOD -- BECAUSE IT
18 WAS MY FIRST MEETING IN WHICH I HAD TO VOTE ON
19 A COUPLE OF ITEMS -- WAS THAT WE GATHER UP ALL
20 OF THESE ITEMS THAT DEAL WITH SPONSORSHIP AND
21 WE BRING THEM FORWARD AS ONE POLICY, AND THE
22 BOARD HAS A WHOLE WIDE VIEW AS TO HOW TO
23 SEGREGATE AND ALLOCATE ITS SPONSORSHIP MONIES.
24 THIS IS AN ABERRATION OF THAT PROCESS, FIRST
25 AND FOREMOST.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 SECOND OF ALL, IN ‘97-9 8, OUR TOTAL
2 DOLLARS, SPREAD OUT AMONGST SEVERAL DIFFERENT
3 PROGRAMS, EIGHT OR NINE, WAS ABOUT 45,000. THE
4 ‘98-99 SPONSORSHIP ITEM HAS NOT EVEN COME
5 BEFORE THIS BOARD YET, SO WE DON’T EVEN KNOW
6 WHERE THAT 100,000 THAT’S BEEN ALLOCATED HAS
7 COME. SO WE HAVEN’T EVEN LOOKED AT THAT YET,
8 AND YET WE ARE READY TO GO AND ALLOCATE ANOTHER
9 100,000 FOR SPONSORSHIP WITHOUT HAVING LOOKED
10 AT THE TOTAL PICTURE.
11 SO, IS THE POT 100,000 OR THE POT
12 200,000 IF THIS BOARD WENT AND ALLOCATED
13 100,000 FOR SPONSORSHIPS? IF THAT’S WHAT IT’S
14 GOING TO ALLOCATE FOR ONE PROGRAM, THEN THAT’S
15 HOW IT SHOULD BE PRESENTED.
16 SECOND OF ALL, WE’RE NOT GETTING A
17 FULL YEAR. WE’RE GETTING PROBABLY JANUARY
18 THROUGH SEPTEMBER, THAT’S EIGHT OR NINE MONTHS.
19 I WOULD HAVE NO PROBLEM IN LOOKING AT THIS ITEM
20 AS WE LOOK FOR NEXT YEAR AS A SPONSORSHIP ITEM.
21 BUT I THINK GETTING ONLY EIGHT MONTHS WORTH OF
22 OUR BANG FOR A BUCK AT THIS COST IS JUST NOT IN
23 KEEPING WITH IT.
24 FURTHERMORE, I THINK IF WE LOOK AT
25 THE ISSUE HERE, WE HAVE A NUMBER OF VIDEOS THAT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WE ARE DOING HERE. AND I'M GOING TO BRING THEM
2 UP AGAIN, JUST BECAUSE TIME AND TIME AGAIN I
3 HAVE ALWAYS STRESSED WHY ARE WE DOING ANOTHER
4 VIDEO, WHY ARE WE DOING ANOTHER VIDEO.
5 WELL, LO AND BEHOLD, AND MY
6 UNDERSTANDING IS WE GET A 10-SECOND TRAILER AT
7 THE END OF THIS PROGRAM, WE GET ON THE WEB
8 PAGE. THE COST FOR A 30-SECOND SPOT IN THE
9 CENTRAL VALLEY IS SOMEWHERE AROUND $300 OR
10 $400, I BELIEVE, FOR A 30-SECOND SPOT. AND
11 THAT'S NOT POLITICAL AIR TIME, THAT'S
12 COMMERCIAL AIR TIME. OR, EVEN IF IT'S $700.
13 YOU DO THE DIVISION, AND YOU FIND
14 OUT WHERE YOUR IMPACT AND WHERE YOUR BANG FOR
15 YOUR BUCK ARE? IF YOU'RE REALLY TRYING TO GET
16 THE MESSAGE OF COMPOST, WITH ALL OF THE VIDEOS
17 WE'VE PRODUCED -- AND THEY ALL HAVE TO BE
18 COMMERCIAL GRADE, THAT'S WHAT I WAS TOLD WHEN
19 THEY WERE PRESENTED HERE FOR APPROVAL BY THIS
20 BOARD -- WHY, THEN, AREN'T WE DOING WHAT THE
21 DEPARTMENT OF HEALTH SERVICES AND OTHERS HAD
22 DONE, AND GONE OUT AND DONE OUR OWN KIND OF
23 MARKETING?
24 AND I THINK THAT'S REALLY A KEY
25 POLICY QUESTION. AND I DON'T THINK THAT'S A

Please note: These transcripts are not individually approved and reviewed for accuracy.

QUESTION THAT SHOULD BE IGNORED, AND IT SHOULD BE A SUBJECT FOR GREATER DEBATE, AS PART OF THE SPONSORSHIP ITEM.

AND SO WHAT I WONDER IS, WHAT ARE WE REALLY GETTING HERE? I MEAN, YOU'VE SAID IT HERE. BUT HOW DOES THAT RECONCILE WITH THE POLICIES WE'VE DONE IN THE PAST? AND HOW DO WE RECONCILE THAT? CAN YOU HELP ME WITH THAT? I DON'T QUITE SEE WHERE THE BENEFIT IS TO US AT THIS PRESENT TIME, GIVEN AT LEAST THOSE INITIAL FACTORS. AND I HAVE A FEW OTHERS, AS WELL.

MS. TRGOVCICH: I THINK THE REASON, AS STAFF, WE ARE BRINGING THIS ITEM FORWARD, AND WE FELT IT WARRANTED THE OPPORTUNITY FOR THE BOARD TO DISCUSS IT, IS BECAUSE WE HAVE UNDERTAKEN IN THE PAST YEAR A FOCUSED EFFORT IN FOUR AREAS IN THIS ORGANIZATION FOR PROGRAM AREAS. ORGANICS IS ONE OF THE KEY AREAS. AND WE HAVE DEVELOPED A PLAN TO ADDRESS ORGANICS. AS I MENTIONED BEFORE, YOU WERE PRESENTED WITH THE GREENING TEAM'S PLAN, THERE ARE SIX TARGETS IN THIS PLAN AND THEY ARE VERY AGGRESSIVE TARGETS. AND IF YOU LOOK AT THE PLAN YOU WILL SEE THE TONNAGES THAT THAT PLAN IS INTENDING TO DIVERT TO AN END USE ARE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 VERY HIGH.

2 AGRICULTURE IS OUR KEY TO THAT

3 DIVERSION, THEY ARE OUR PRIMARY END USERS. AND

4 WE SEE AN OPPORTUNITY -- NOT ONLY WITH RESPECT

5 TO THE SPECIFIC ELEMENTS THAT YOU MENTIONED,

6 THE ON-AIR CREDIT TIME, I BELIEVE THAT THE HOME

7 PAGE ON THEIR WEB SITE, OR THE WEB PAGE IS VERY

8 IMPORTANT WITH RECEIVING OVER 50,000 VISITORS

9 AFTER EACH PROGRAM. THAT'S AN INCREDIBLE

10 AMOUNT OF INTERACTION THAT WE COULD HAVE WITH

11 BOTH MEMBERS OF THE INDUSTRY AND THE GENERAL

12 PUBLIC AROUND ISSUES PERTAINING TO OUR

13 PROGRAMS.

14 BUT WHAT WE ALSO SEE IS AN

15 OPPORTUNITY TO INTERACT WITH PUBLIC TELEVISION

16 AND PROVIDE ADVICE AND ASSISTANCE ON SOME OF

17 THE THINGS THAT THEY MAY CONSIDER FOR

18 PROGRAMMING, AS WELL, AND WE SEE THAT AS AN

19 ESSENTIAL OPPORTUNITY.

20 SO, IT FITS VERY NICELY. WE DID

21 NOT INCLUDE IT -- AS YOU'LL NOTICE, WE DID NOT

22 INCLUDE A THIRD ALTERNATIVE, WHICH IS TO TAKE

23 THE SPONSORSHIP MONEY HERE. WE DID NOT

24 RECOMMEND THAT. WE WENT TO PREVIOUSLY

25 IDENTIFIED CONCEPTS AND IDENTIFIED SAVINGS, AND

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CAME FORWARD WITH THAT RECOMMENDATION. IT'S --

2 MEMBER EATON: BUT YOU WOULD AGREE THAT

3 THIS IS A SPONSORSHIP-TYPE ITEM.

4 MS. TRGOVCICH: IT IS -- THE AGENDA

5 TITLE IS SPONSORSHIP, CORRECT.

6 MEMBER EATON: AND SO WHAT IS--IF

7 YOU'RE SAYING THAT THIS PROGRAM IS PART OF YOUR

8 MASTER PLAN IN WHICH TO SUCCEED IN THE PRIORITY

9 AREAS, THAT'S A FAIR STATEMENT.

10 AND I'M JUST SAYING THAT I THINK

11 THE TECHNIQUE IS MISPLACED. IF YOU'RE REALLY

12 LOOKING ABOUT TARGETING, AND DOING AN

13 AGGRESSIVE CAMPAIGN TO GET THE INFORMATION OUT

14 WITH ALL OF THESE VIDEOS, WHY AREN'T WE BUYING

15 YOUR TIME, WHY HAVEN'T WE GOT A MEDIA STRATEGY?

16 I THINK SPONSORSHIPS ARE GREAT. IT

17 ALSO HAPPENS TO BE FIVE TIMES THE GREATEST

18 AMOUNT OF MONEY WE'VE EVER SPENT FOR ANY

19 SPONSORSHIP. AND I DON'T THINK WE HAVE ANY

20 JUSTIFICATION FOR IT, ESPECIALLY AS IT'S AN

21 ADDENDUM ITEM.

22 AND THAT'S PART OF, ALSO, WHAT'S

23 STICKING IN MY CRAW, IS THAT THIS LATE SORT OF

24 BRINGING IT BEFORE THE BOARD WHEN IT GOES

25 AGAINST POLICY THAT WE'VE ALWAYS MAINTAINED ON

Please note: These transcripts are not individually approved and reviewed for accuracy.

THE BOARD.

AND I DON'T THINK WITH

WITHOUT GOOD JUSTIFICATION. TWO, VERY

LITTLE BANG FOR OUR BUCK. AND, THREE, I THINK

THAT IF YOU LOOK AT WHAT WE'RE TRYING TO DO,

MAYBE WE SHOULD TRY AND INCORPORATE ALL OF WHAT

WE'VE DONE AND SPENT MONEY FOR IN SOME OF THE

OTHER AREAS AND PUT THEM TOGETHER, AND PUT THEM

ON THE AIR AND GET SOME BANG FOR OUR BUCK. AND

I JUST DON'T THINK WE'RE GETTING THAT RIGHT

NOW.

MS. TRGOVCICH: I'D JUST LIKE TO

BRIEFLY RESPOND TO THE ADDENDUM IS SUE. I AGREE

THAT THIS HAS COME BEFORE YOU LATE.

HOWEVER, WE WANTED TO MAKE SURE

THAT YOU HAD THE OPPORTUNITY TO AT LEAST HEAR

THE ITEM AND DISCUSS IT, AND HAD WE WAITED

UNTIL THE JANUARY MEETING, IT'S OUR

UNDERSTANDING THAT THAT OPPORTUNITY WOULD HAVE

NO LONGER EXISTED FOR THE CURRENT SEASON. SO

WE WANTED TO MAKE SURE THAT, FOR PURPOSES OF

POLICY DECISION-MAKING, THAT YOU WERE AT LEAST

PRESENTED WITH THE OPPORTUNITY.

CHAIRMAN PENNINGTON: ALSO, IT WAS

ORIGINALLY ON THE ORIGINAL AGENDA ITEM, AND

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 SOMEHOW GOT LEFT OFF AND THEN WAS PUT BACK.
2 BUT WHEN WE DISCOVERED THAT IT WAS PUT OFF WE
3 HAD TO DO THE ADDENDUM.
4 MEMBER EATON: OKAY. THAT'S NOT A
5 CRITICISM, I JUST THINK IT'S A LATE --
6 CHAIRMAN PENNINGTON: OH, I KNOW WHAT
7 YOU MEAN.
8 MEMBER EATON: -- EXPENDITURE OF MONEY.
9 I JUST, YOU KNOW, WOULD ASK MY COLLEAGUES TO
10 LOOK AT SOME OF THE POLICY AREAS THAT WE'VE
11 LOOKED AT.
12 AND, ALSO, YOU WANT EIGHT MONTHS AT
13 100,000, OR DO YOU WANT TO TAKE A REAL LOOK AT
14 AN OVERALL POLICY AND SPONSORSHIP AND BRING IN
15 SOME OF THE PRIORITY OVER THE NEXT TWO MONTHS,
16 SINCE WE HAVEN'T EVEN LOOKED
17 AT THE SPONSORSHIP ITEM. AND I DON'T THINK
18 THIS EIGHT MONTHS GETS US ANY MORE OR PUTS US
19 ANY FURTHER BEHIND, QUITE FRANKLY.
20 CHAIRMAN PENNINGTON: HOWEVER, IF WE DO
21 THIS WE ARE NOT TAKING THE MONEY OUT OF THE
22 EXISTING SPONSORSHIP FUND THAT WE HAD SET
23 ASIDE. I MEAN, THIS IS KIND OF A DIFFERENT
24 SPONSORSHIP.
25 I REALIZE THAT, YOU'RE CORRECT, IT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WASN’T IN THE ORIGINAL SPONSORSHIP PLAN. BUT
2 IT ISN’T TAKING ANYTHING AWAY FROM WHAT OUR
3 ORIGINAL THINKING WAS.
4 MEMBER FRAZEE: MR. CHAIRMAN?
5 CHAIRMAN PENNINGTON: MR. FRAZEE.
6 MEMBER FRAZEE: YES. THANK YOU, MR.
7 CHAIRMAN.
8 I THINK THOSE WHO HAVE BEEN ON THE
9 BOARD WITH ME FOR THE LAST FOUR YEARS KNOW THAT
10 I HAVE OFTENED LOOKED WITH A RATHER JAUNDICED EYE
11 IN SPONSORSHIP OPPORTUNITIES THAT THIS BOARD HAS
12 HAD, AND I FELT THAT A NUMBER OF THOSE FALL IN THE
13 CATEGORY OF “JUST FEEL GOOD SORT OF THINGS” THAT
14 REALLY DIDN’T HAVE ANY VALUE TO THEM. THEY WERE
15 JUST, IN SOME INSTANCES, TO SORT OF SATISFY THE
16 COMPETITION THAT OTHER AGENCIES WERE PUTTING IN
17 SPONSORSHIP MONEY, SO WHY DON’T WE, THAT SORT OF
18 THING.
19 BUT I VIEW THIS ONE AS BEING QUITE
20 DIFFERENT ACTUALLY. I CAN JUSTIFY CERTAINLY, IN
21 MY OWN MIND, THAT THIS IS OUTSIDE THE NORMAL
22 SPONSORSHIP AREAS THAT WE HAVE. I SAY I
23 ALWAYS LOOKED AT THESE AT WHAT VALUE IS THERE TO
24 THE BOARD AND FOR THE STATE OF CALIFORNIA IN
25 SPONSORING VARIOUS ACTIVITIES AND THOSE THAT WE’VE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 BEEN INVOLVED IN. THIS ONE REALLY GIVES US -- TO
2 PARAPHRASE YOUR WORDS, “A BANG FOR THE BUCK.” I
3 THINK THAT IT’S FAR MORE THAN ANYTHING THAT WE
4 BEGIN TO DO IN PUTTING TOGETHER A PROGRAM THAT HIT
5 A GROUP OF STATIONS UP AND DOWN THE VALLEY IN
6 TRYING TO EDIT AND PUT TOGETHER THE PROGRAM.
7 I THINK THAT GETS HIGHLY COMPLEX AND DOESN’T COVER
8 THE MARKET AS WELL AS THIS DOES. THIS PROGRAM IS
9 NOT JUST THE VALLEY; IT’S BEING THREAD THROUGHOUT
10 THE STATE, AND I THINK THE NUMBER OF STATIONS THAT
11 ARE PICKING UP ARE GROWING. IT FITS VERY WELL, I
12 BELIEVE, IN THE AREA OF MARKETING WITH THE
13 OPPORTUNITY TO DIRECT PROGRAMS THAT HIT THE KEY
14 TARGETS WE’RE TRYING TO HIT. I THINK WE’RE CERTAINLY
15 THERE. I VERY MUCH SUPPORT THIS ONE.
16 THE OPPORTUNITY TO ACTUALLY TO USE MONEY THAT
17 APPARENTLY IS NOT NEEDED IN THE C&D AREA, AND
18 THAT’S ANOTHER ONE OF MY FAVORITE ONES, AND, AS YOU
19 KNOW, I WAS THE ONE THAT PUSHED THE C&D VIDEO
20 THING. SINCE THEN, I’VE LEARNED THAT A QUITE BIT OF
21 WORK HAS ALREADY BEEN DONE IN THAT AREA AND THAT
22 WE PROBABLY CAN ACCESS THAT WORK AND THE MONEY
23 IS NOT NEEDED THERE. SO IT REALLY, I BELIEVE, SERVES
24 A PURPOSE IN THE DUTY THAT THIS BOARD HAS IN THE
25 AREA OF MARKETING AND PUBLIC EDUCATION.

Please note: These transcripts are not individually approved and reviewed for accuracy.

CHAIRMAN PENNINGTON: OKAY. WE HAVE ONE MEMBER FROM THE PUBLIC WHO WOULD LIKE TO ADDRESS THIS. MR. BEST.

MR. BEST: --RICK BEST WITH CALIFORNIANS AGAINST WASTE. AND I DO SIMILARLY WANT TO PREFACE MY COMMENTS THAT I HAVE SEEN THE PROGRAM AND DO ENJOY IT, AND I AM A KVIE MEMBER. SO MY COMMENTS, AS WELL, ARE NOT REFLECTIVE OF THE VALUE OF THE PROGRAM. AND FM NOT HERE TO -- THIS IS ACTUALLY THE FIRST TIME THAT I'VE BEEN AWARE OF THIS IS SUE, AND I’M NOT HERE TO TAKE A POSITION WHETHER OR NOT THE BOARD SHOULD PURSUE THIS FUNDING.

BUT I, FIRST OF ALL, WANT TO ECHO THE COMMENTS OF MR. EATON, AND I THINK THIS REALLY NEEDS TO BE CONSIDERED AS PART OF THE BOARD’S OVERALL SPONSORSHIP STRATEGY.

I THINK, YOU KNOW, LOCAL GMS, RECYCLING INDUSTRY, EVERYONE IS LOOKING TO THE BOARD IN TERMS OF LEADERSHIP AND HOW DO WE BEST MAXIMIZE OUR DOLLARS IN TERMS OF PROMOTING RECYCLING. AND I THINK PEOPLE HAVE BEEN LOOKING TO THE BOARD FOR LEADERSHIP ON THAT. AND I THINK THIS NEEDS TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 BE CONSIDERED AS PART OF, YOU KNOW, ONE
2 STRATEGY IN A PLETHORA OF AREAS WHERE PEOPLE
3 ARE LOOKING FOR LEADERSHIP FROM THE BOARD ON
4 THIS ISSUE.
5 AND I'M CONCERNED THAT THIS IS
6 BEING PURSUED SEPARATELY FROM THE BROADER
7 DISCUSSION OF THOSE ISSUES. I THINK THERE ARE
8 A LOT OF THINGS THAT -- YOU KNOW, WE'RE HAVING
9 A HARD TIME TRYING TO, YOU KNOW, INCREASE THE
10 TIPPING FEE TO PROVIDE MORE MONEY FOR THE BOARD
11 TO DO THESE KIND OF THINGS, AND TO QUICKLY, YOU
12 KNOW, BE ABLE TO SET ASIDE $100,000 FOR THIS
13 EFFORT, YOU KNOW, CAUSES ME SOME CONCERN.
14 I THINK ALSO THERE ARE A NUMBER OF
15 CIRCUMSTANCES WHERE, FOR EXAMPLE, WE WOULD LIKE
16 TO SEE THE BOARD TO TAKE A GREATER ROLE IN
17 ENFORCEMENT. YOU KNOW, LATER TODAY WE'RE GOING
18 TO BE TALKING ABOUT PLASTICS, AND WHAT CAN THE
19 BOARD BE DOING IN TERMS OF ENFORCEMENT OF THE
20 VARIOUS LAWS THAT IT HAS. AND THERE HAS BEEN
21 TIMES WHERE THE BOARD HAS SAID WE CAN'T PURSUE
22 AUDITS OR THINGS LIKE THAT BECAUSE WE DON'T
23 HAVE ENOUGH FUNDING.
24 AND SO I THINK THERE ARE A LOT OF
25 FUNDING NEEDS OUT THERE. I'M NOT SAYING THAT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THIS ISN’T A VALUABLE THING, AND MAYBE THIS IS
2 THE BEST STRATEGY FOR THE BOARD IN TERMS OF
3 SPONSORSHIP, BUT I THINK IT NEEDS TO BE
4 CONSIDERED AS PART OF THE BROADER DIRECTION OF
5 THIS BOARD.
6 CHAIRMAN PENNINGTON: THANK YOU.
7 SENATOR ROBERTI.
8 SENATOR ROBERTI: I TAKE IT FROM MR.
9 EATON’S REMARKS THAT WE APPROPRIATED, WHATEVER
10 THE WORD IS, $100,000 FOR OTHER SPONSORSHIPS?
11 WHAT WERE THOSE--
12 EXECUTIVE DIRECTOR CHANDLER: LET ME CLARIFY
13 THAT.
14 WHAT MR. EATON WAS REFERRING TO WAS THAT AT THE
15 BEGINNING OF OUR FISCAL YEAR WE APPROPRIATED
16 $100,000 FOR A BROAD CATEGORY JUST CALLED
17 SPONSORSHIPS.
18 MR. FRITZ, THE DIRECTOR OF OUR
19 PUBLIC AFFAIRS OFFICE, WILL BE BRINGING BACK TO
20 THE BOARD NEXT MONTH KIND OF THE -- A HOST OF
21 APPLICATIONS THAT I BELIEVE WE’VE BEGUN....
22 IS THAT NOT CORRECT? WHY DON’T YOU
23 COME FORWARD, JOHN?
24 BUT, OF THAT 100,000, SENATOR
25 ROBERTI, WE’VE ONLY ALLOCATED 2 5,00 TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 AMERICA'S RECYCLES DAY. I WAS -- I'M SORRY, I

2 WAS INFORMED....

3 MR. FRITZ: JOHN FRITZ OF THE PUBLIC

4 AFFAIRS OFFICE.

5 NEXT MONTH WE'LL BE BRINGING BEFORE

6 THE BOARD AN ITEM ON THE SPONSORSHIPS TO KIND

7 OF OUTLINE -- OR, GIVE THE BOARD A COUPLE OF

8 OPTIONS ON WAYS THAT WE CAN MAKE THIS PROGRAM

9 MORE OR LESS PERMANENT.

10 AS YOU KNOW, LAST YEAR IT WAS SORT

11 OF AN AD HOC PROGRAM. WE BROUGHT IT FORWARD

12 FAIRLY QUICKLY. AND THERE'S BEEN SOME ISSUES

13 OVER SOLE-SOURCE CONTRACTING AND OTHER MATTERS

14 THAT WE WANTED TO BRING BEFORE THE BOARD, TO

15 MAKE SURE THAT THE BOARD UNDERSTOOD THE

16 RAMIFICATIONS, AND TO GIVE YOU A COUPLE OF

17 OPTIONS ON WAYS TO MAKE THESE FUNDINGS IN THE

18 FUTURE.

19 DEPENDING ON WHAT WAY THE BOARD

20 GOES, THEN WE WOULD EXPECT TO BRING ACTUAL

21 APPLICATIONS BEFORE THE BOARD AS EARLY AS THE

22 FOLLOWING MONTH.

23 AND, JUST TO REMIND YOU, THAT THE

24 BOARD DID ALLOCATE UP TO $25,000 OF THAT

25 $100,000 FOR THE BOARD'S COSTS ASSOCIATED WITH

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THE AMERICA RECYCLES DAY EFFORT. I DON'T KNOW
2 EXACTLY HOW MUCH OF THAT MONEY ACTUALLY HAS
3 BEEN SPENT ON THAT EFFORT, BUT I WOULD IMAGINE
4 PROBABLY NOT ALL OF IT.
5 MEMBER ROBERTI: AND MAYBE SOMEBODY CAN
6 ANSWER, WHAT IS STAFF'S RESPONSE TO MR. EATON'S
7 POINT, AND MR. BEST'S AS WELL, THAT THIS IS
8 BEING TAKEN UP I GUESS SOMEWHAT OUT OF ORDER.
9 ALTHOUGH, I TAKE IT $25,000 OF THE AMOUNT WE'VE
10 ALREADY APPROPRIATED HAS SORT OF BEEN TAKEN UP
11 OUT OF ORDER.
12 MS. TRGOVCICH: THAT IS CORRECT.
13 MEMBER ROBERTI: IF YOUR ARGUMENT IS THIS IS
14 THE SEQUENCE WE'RE GOING TO BE DOING IT IN...?
15 MS. TRGOVCICH: NO. THE 25,000, YES,
16 WAS OUT OF-- WAS NOT WITHIN THE PROCESS THAT
17 MR. FRITZ JUST OUTLINED. AND THIS 100,000, AS WELL,
18 WOULD NOT BE WITHIN THE PROCESS, WHICH IS WHY
19 WE DID NOT PROPOSE TO TAKE IT OUT OF THE MONEY
20 ALREADY SET ASIDE FOR THE BOARD FOR
21 SPONSORSHIPS.
22 WE SEE THE VALUE, ENOUGH VALUE IN
23 THIS PROGRAM TO BRING IT FORWARD BECAUSE, WITH
24 THE TIME LINE THAT MR. FRITZ JUST DESCRIBED, I
25 BELIEVE THAT THIS OPPORTUNITY WOULD NOT EXIST

Please note: These transcripts are not individually approved and reviewed for accuracy.

FOR THE BOARD FOR THIS SEASON. AND WE WANTED TO MAKE SURE THAT YOU HAD THE OPPORTUNITY TO HEAR IT AND MAKE A DECISION ON IT FOR THIS SEASON.

MEMBER ROBERTI: AND I TAKE IT -- NOW, IS THE -- I UNDERSTAND THERE'S A COMPOSTING PROGRAM INVOLVED?

MS. TRGOVCICH: THE PROGRAM-- THE REASON WHY THEY CAME TO US INITIALLY WAS BECAUSE THEY'RE AWARE OF OUR WORK IN THE AREA OF ORGANICS MANAGEMENT, NOT JUST AS FAR AS COMPOST IS CONCERNED, BUT MULCHING AND OTHER SOIL AMENDMENTS USED IN THE AGRICULTURAL ARENA. 50, WE HAVE LOOKED AT THEIR PRIOR PROGRAMMING, AND THEY HAVE DONE PIECES ON COMPOSTING IN THE PAST, AND WE WOULD HOPE TO BE ABLE TO PROVIDE ADVICE AND ASSISTANCE TO THEM IF THEY WERE TO CHOOSE TO GO DOWN THAT PATH IN THE FUTURE.

MEMBER ROBERTI: WHAT IS THE TARGET AUDIENCE WE'RE TRYING TO GET TO?

MS. TRGOVCICH: WE ARE TRYING TO GET TO BOTH THE AGRICULTURAL INDUSTRY BECAUSE THEY ARE OUR PRIMARY END USERS, AS WELL AS URBAN CALIFORNIA BECAUSE THE WASTE STREAM COMES FROM

Please note: These transcripts are not individually approved and reviewed for accuracy.

URBAN CALIFORNIA. AND THEY NEED TO BE EDUCATED ON HOW THEY NEED TO HANDLE IT, AND WHERE IT GOES, SO THEY SEE VALUE IN DIVERTING THAT MATERIAL.

THIS PROGRAM TARGETS BOTH OF THOSE AUDIENCES. UNLIKE OTHER AGRICULTURAL PROGRAMMING WHERE THE INDUSTRY IS THE PRIMARY AUDIENCE, THE PRIMARY AUDIENCE FOR THIS PROGRAM IS URBAN CALIFORNIA, AS WELL.

CHAIRMAN PENNINGTON: MR. FRAZEE.

MEMBER FRAZEE: I JUST WANTED TO COMMENT THAT I CAN SEE A NUMBER OF OTHER PROGRAMMING OPPORTUNITIES IN THIS BEYOND JUST THE COMPOST. A WHOLE RANGE OF THINGS SUCH AS ONE THAT WE DISCUSSED YESTERDAY, THE USE OF CULLED FRUIT FOR THE -- YOU KNOW, GETTING THAT OUT OF THE LANDFILL AND INTO USES, PRODUCTIVE USES. I THINK ONE THAT MR. RHOADS DISCUSSED, THE CRUMB RUBBER USE FOR DAIRY BARNS AND THAT SORT OF THING. I CAN SEE, YOU KNOW, ANY NUMBER OF PROGRAMS EVOLVING OUT OF THIS THAT GIVE IT VALUE IN PROMOTING THE PROGRAMS THAT WE’RE CHARGED WITH PROMOTING.

MEMBER RHOADS: YEAH, I’M SUPPORTIVE OF IT FOR THAT SAME REASON. FOR EXAMPLE, WE HAD HERE

Please note: These transcripts are not individually approved and reviewed for accuracy.

EARLIER TODAY DAVID MYERS FROM MENDOCINO, HIS SOLID WASTE FACILITY HAS BEEN AWARDED THE PLAQUE FOR BEING THE BEST SOLID WASTE FACILITY IN NORTH AMERICA.

I COULD SEE A VERY, VERY NICE SHOW CENTERED ON A SOLID WASTE FACILITY LIKE THAT ONE, AND THE CONNECTION TO AGRICULTURE AND THE CONNECTION TO INDUSTRY. I CAN SEE A LOT OF THINGS THAT WE DO HERE THAT COULD BE SPONSORED ON TV SHOWS AND REACH A WIDE RANGE OF APPLICATIONS.

I AGREE WITH MR. EATON. WE PROBABLY DO NEED A MEDIA STRATEGY AND PLAN, BUT I WOULD CONSIDER THIS A KEY OPPORTUNITY, AND ME, MYSELF, WOULD BE VERY SUPPORTIVE OF THIS PARTICULAR PROGRAM.

MEMBER EATON: BUT, SURELY, MEDIA STRATEGY, THIS IS JUST ONE PART OF THAT, AND WHAT WE’RE TAKING HERE IS TAKING ONE PART. HERE’S WHAT WE’RE -- GOING TO DO AND EVERYTHING ELSE IS GOING TO FOLLOW. THE SECOND ABERRATION OF ALL OF THIS IS THE FACT, SINCE IT IS THE INITIAL AND FIRST TIME WE ARE DOING THIS, WE ARE NOW NOT GOING TO BE ABLE AS A BOARD -- WHICH HAS BEEN THE POLICY -- TO COME BACK AND SEE THE SCOPE OF WORK.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 SO, NOT ONLY DO WE HAVE A POLICY
2 ABERRATION WITH REGARD TO THE SPONSORSHIP ITEM,
3 WE ARE NOW GOING TO GO AND DELEGATE -- AND NO
4 DISRESPECT TO YOU, MR. CHANDLER -- BUT WE'RE
5 NOW GOING TO GO A SECOND STEP AND SAY WE'RE
6 GOING TO GIVE YOU THE 100 GRAND, AND WE'RE NOT
7 EVEN GOING TO SEE WHAT'S GOING ON.
8 I THINK THE BOARD HAS AN ABSOLUTE
9 OBLIGATION TO THE PEOPLE OF THIS STATE TO LOOK
10 AT THE CONTRACT, IF THEY ARE GOING TO GO DOWN
11 THIS ROAD WITH TELEVISION SPONSORSHIP, SEE WHAT
12 KIND OF CONTRACTS THERE ARE, SEE WHAT THE COSTS
13 ARE.
14 SO, I THINK FOR THOSE YOU'VE GOT
15 TWO REASONS NOW, NOT JUST ONE BUT TWO THAT'S AN
16 ABERRATION.
17 MEMBER RHOADS: WELL, I HAVE NO PROBLEMS
18 WITH DELEGATING THAT AUTHORITY TO THE EXECUTIVE
19 DIRECTOR. AND I THINK THE KEY ISSUES IN THE
20 SCOPE OF WORK IS OUTLINED IN THE PAPER.
21 I THINK THIS IS AN OPPORTUNITY THAT
22 IF WE DON'T MOVE ON IT NOW, I DON'T -- I'M
23 AFRAID IT MAY NOT BE AVAILABLE IN THE FUTURE.
24 MEMBER EATON: AND YOU THINK 75 PERCENT
25 OF AIR TIME THIS YEAR IS A GOOD INVESTMENT?

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MEMBER RHOADS: I THINK THEY'RE VERY
2 INTERESTED IN PUTTING ON A SHOW OR TWO RELATED
3 TO WHAT WE'RE DOING, AND I DO THINK IT'S A GOOD
4 INVESTMENT.
5 MS. TRGOVCICH: JUST TO CLARIFY FOR THE
6 MEMBERS, THE REASON WHY WE ARE RECOMMENDING
7 DELEGATION IS BECAUSE THOSE FOUR BULLETS ON
8 PAGE TWO ARE THE SCOPE OF WORK.
9 IF YOU LOOK AT THE PRIOR
10 SPONSORSHIP AGREEMENTS THAT PUBLIC TELEVISION
11 HAS WITH ITS OTHER SPONSORS, THESE ARE THE
12 ELEMENTS. AND WE WERE SIMPLY TRYING TO BE A
13 LITTLE EFFICIENT AND SAVE SOME TIME, AND LET
14 YOU SEE WHAT THE CONTENTS OF THE AGREEMENT
15 WOULD BE IN THIS ITEM AT THE SAME TIME.
16 MEMBER JONES: MR. CHAIRMAN?
17 CHAIRMAN PENNINGTON: YES, MR. JONES?
18 MEMBER JONES: I CAN UNDERSTAND SOME OF
19 MR. EATON'S CONCERNS.
20 BUT I THINK WHEN RICK BEST COMES UP
21 AND TALKS ABOUT US BEING ABLE TO ENFORCE, AND
22 US BEING ABLE TO DO A LOT OF THESE OTHER THINGS
23 WITH OUR LIMITED DOLLARS, I THINK THAT OUR --
24 YOU KNOW, TO CLOSE THIS LOOP WE'VE GOT TO
25 CONTINUALLY LOOK FOR MARKETS TO....

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 YOU KNOW, WE HAVE AN ISSUE HERE
2 THAT'S 10 YEARS OLD, YOU KNOW, BASICALLY, AB
3 939. AND WHEN I'M OUT SPEAKING TO PEOPLE I'M
4 CONTINUALLY TELLING THEM WHEN THEY HAVE A 26-
5 YEAR OLD CITY COUNCIL MEMBER HE WAS 16 YEARS
6 OLD WHEN THIS LAW WAS SIGNED. AND DOESN'T
7 UNDERSTAND A LOT OF THE ISSUES THAT SURROUND
8 WHAT WE LIVE WITH EVERY DAY.
9 50, I SEE THIS AS AN OPPORTUNITY TO
10 CONTINUALLY PUTTING (SIC) OUR PROGRAMS, SOME
11 OF OUR THINGS IN FRONT OF A POPULATION THAT'S
12 GOING TO HIT -- IF IT'S 500,000 PEOPLE PER
13 WEEK, THAT'S A HECK OF A LOT MORE THAN ARE EVER
14 GOING TO VIEW THE GRASS CYCLING VIDEO.
15 THAT'S A LOT MORE THAN IS EVER GOING TO VIEW
16 OTHER PROGRAMS THAT WE'RE TRYING TO DEAL WITH.
17 WHILE WE'RE NOT GOING TO HAVE THE
18 ABILITY TO TELL THEM WHAT KIND OF SHOWS TO RUN,
19 I THINK THEY'RE GOING TO BE PRETTY EXCITED IF
20 THEY YEAR ABOUT -- OH, I'LL GIVE YOU AN
21 EXAMPLE. A COMPANY THAT COLLECTS PRODUCE WASTE
22 FROM THREE GROCERY CHAINS, MULCHES THAT
23 MATERIAL IN WITH WAX CARDBOARD,
24 SHREDS IT, BRINGS IT OUT, COMPOSTS IT, AND THEN
25 APPLIES IT TO THEIR OWN LAND WHERE THEY GROW

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CORN THAT IS OF A HIGHER QUALITY AND A HIGHER
2 YIELD THAN ANYTHING AROUND.
3 THAT IS SOMETHING THAT PEOPLE IN AN
4 URBAN AREA CAN RELATE TO BECAUSE THEY GO TO THE
5 STORE. THEY UNDERSTAND WHAT IT'S LIKE TO GO
6 LOOK AND BUY THOSE TYPES OF MATERIALS. AND IF
7 THEY EVER HAD THE OPPORTUNITY TO SEE A SHOW
8 THAT SHOWED HOW THAT LOOP GOT CIRCLED, HOW WE
9 CLOSED THAT LOOP, HOW THAT END PRODUCT ENDED UP
10 BEING THE -- YOU KNOW, ONE OF THE GROWING
11 STIMULANTS IN THE GROUND, THEY'RE GOING TO
12 APPRECIATE I THINK WHAT WE'RE TRYING TO DO.
13 AND FOR THAT REASON, I SEE THIS AS WELL-SPENT
14 MONEY.
15 I SEE IT AS GETTING A MESSAGE
16 ACROSS. IT IS -- WE HAVE ITEMS COME IN FRONT
17 OF THIS BOARD THAT I'VE HAD TO ASK STAFF TO
18 EXPLAIN IN A MANNER THAT I CAN UNDERSTAND,
19 BECAUSE I DON'T LIVE WITH THAT SPECIFIC ITEM
20 EVERY DAY, AS THEY DO. SO, IT NEEDS TO BE IN
21 ENGLISH AS OPPOSED TO SOME OTHER LANGUAGE.
22 SO, I THINK THAT THERE IS REAL
23 VALUE HERE. AND I THINK THAT EVERY OPPORTUNITY
24 THAT WE HAVE TO CLOSE THE LOOP, TO MAKE PEOPLE
25 AWARE OF THE PRODUCTS THAT ARE OUT THERE IS A

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 STORY THAT NEEDS TO BE TOLD IF WE -- UNLESS WE
2 WANT TO SEE THIS STUFF END UP IN WAREHOUSES ALL
3 OVER THE STATE, WHICH IS ALWAYS MY BIGGEST
4 FEAR. SO I SEE VALUE.
5 TIMING MAY BE AN ISSUE, BUT IF THIS
6 IS THE ONLY TIME WE CAN GET IN ON THIS THING
7 THEN I THINK WE NEED TO REALLY THINK ABOUT
8 THAT. BUT THERE'S A BIGGER STORY HERE THAN --
9 THAT WE NEED TO BE ASSOCIATED WITH.
10 MEMBER JONES: AND I WOULD AGREE WITH
11 ANYTHING THAT YOU --
12 MEMBER RHOADS: I MIGHT JUST GIVE ONE OTHER
13 EXAMPLE, IF I --
14 CHAIRMAN PENNINGTON: SURE.
15 MEMBER JONES: BECAUSE IN MONTEREY,
16 WHEN WE WERE DOWN THERE, THE PASTA MAKERS WHO
17 WERE USING PASTA FOR THE -- IN THE FARMS, THE -
18 - AND THE FISH THAT WAS BEING RECYCLED FROM
19 SOME OF THE CANNERIES INTO THE FARMS ARE THINGS
20 THAT I THINK THE PUBLIC WOULD BE VERY
21 INTERESTED IN, AND WOULD MAKE A VERY, VERY GOOD
22 SHOW.
23 MEMBER EATON: MAY I JUST SAY -- AND I AGREE
24 WITH EVERYTHING YOU SAY, MR. JONES. THE
25 QUESTION HERE, THOUGH, ISN'T -- WE'RE NOT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 DEBATING THAT ISSUE.

2 THE IS SUE WE'RE DEBATING HERE, AND

3 SEEKING IS WHAT IS THE EXPOSURE WE GET FROM

4 THIS. AND IF YOU EVEN CAST OUT AT EIGHT

5 MONTHS, YOU'RE NOT GOING TO RUN EVERY WEEK FOR

6 EIGHT MONTHS THE SAME SHOW. THEY COULDN'T

7 EXIST THAT WAY. SO, YOU'VE GOT 32 SHOWS, LET'S

8 JUST SAY THAT, THAT THEY'RE GOING TO PRODUCE.

9 YOU'VE GOT 10 SECONDS AT THE END OF

10 EACH SHOW, ABSENT -- SO LET'S SAY THAT THEY'RE

11 -- AND I'M GOING TO BE GRACIOUS AND THEY DO TWO

12 SHOWS ON COMPOST -- MAYBE, MAYBE NOT, BUT I'M

13 GOING TO BE GRACIOUS ABOUT THAT.

14 IF YOU ARE TRULY INTERESTED IN

15 MARKETING, AND IF YOU'RE TRULY INTERESTED IN

16 TRYING TO GET YOUR MESSAGE AND YOUR PRODUCT

17 ACROSS, WHY NOT FOLLOW WHAT THE PRIVATE SECTOR

18 DOES, AND WHY NOT FOLLOW WHAT THOSE -- EVERY

19 TIME WE TURN ON THE TELEVISION WE'RE CONFRONTED

20 WITH? AND THOSE ARE COMMERCIALS, AND WHERE

21 THEY RUN AND THERE'S REINFORCEMENT.

22 ANYONE WHO'S IN MARKETING KNOWS

23 THAT YOU HAVE TO HAVE REINFORCEMENT. A 10-

24 SECOND CALIFORNIA INTEGRATED WASTE MANAGEMENT

25 BOARD LOGO AT THE END OF A TELEVISION SHOW IS

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 NOT REINFORCEMENT FOR COMPOST. IT'S JUST NOT
2 MARKETING. IT'S NOT BASIC MARKETING, IT'S NOT
3 MARKETING AT ALL.
4 AND, SO I JUST THINK TO BE CLEAR,
5 IF YOU'RE REALLY INTERESTED IN GETTING AT THE
6 PROBLEM LET'S DO SOMETHING. YOU CAN GO TO
7 MONTEREY, WHERE, MR. RHOADS, IT'S VERY, VERY
8 CHEAP TO BUY TELEVISION AND RADIO TIME. AND
9 YOU CAN DO EDUCATIONAL KINDS OF WORK AS WELL.
10 SO LET'S DO SOMETHING.
11 EVERYONE KNOWS, ALSO, MANY, MANY
12 PEOPLE ARE DOING INFOMERCIALS, AND THOSE ARE
13 EVEN CHEAPER THAN WHAT WE'RE LOOKING AT THIS
14 EXPENDITURE TO BE.
15 AND, MORE IMPORTANTLY, I THINK YOU
16 HAVE TO LOOK AT THE MARKETING ASPECT. NO ONE
17 DEBATES WHETHER OR NOT YOU HAVE TO DO THIS IN
18 ORDER TO CREATE IT. THE QUESTION IS THE BEST
19 MECHANISM AND HOW YOU GO ABOUT DOING IT. AND I
20 THINK THAT'S THE RESPONSIBLE KIND OF POLICY
21 THAT WE AS A BOARD SHOULD LOOK AT, AND MAKE
22 SOME DECISIONS, AND TRY AND VENTURE INTO THOSE
23 AREAS.
24 A SPONSORSHIP, I JUST -- YOU KNOW,
25 IT'S GREAT, GOOD FEEL-GOOD STUFF, BUT IT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 DOESN’T GET ANYTHING.

2 CHAIRMAN PENNINGTON: YES?

3 SENATOR ROBERTI: I AGREE WITH MR.

4 EATON ON THIS POINT, AND THAT IS WHILE THE

5 SPONSORSHIP DOESN’T IMPRESS ME TOO MUCH, IT’S

6 NICE, BUT I WOULDN’T SPEND THE MONEY FOR THAT.

7 I’M MORE CONCERNED ABOUT THE SHOW ON -- I’M

8 MORE CONCERNED ABOUT THE PRODUCTION ON COMPOST.

9 AND, HAVING WATCHED THE SHOW

10 MYSELF, JUST NOT AS AN APPOINTMENT VIEWER BUT

11 AS SORT OF A SURFING VIEWER, FIGURING IT WAS

12 SOMETHING THAT I, MYSELF, LANDED ON AND DECIDED

13 TO STAY ON, THAT MEANS --YOU KNOW, ON A SHOW I

14 NORMALLY WOULDN’T WATCH, MEANS THEIR PRODUCTION

15 IS FAIRLY GOOD AND IT’S INTERESTING. SO, ON A

16 SUBJECT MATTER -- AND THIS IS MY OWN PERSONAL

17 EXPERIENCE -- SO ON A SUBJECT MATTER THAT WE’RE

18 CONCERNED ABOUT, I THINK THEY HAVE THE

19 PRODUCTION ABILITY TO DO SOMETHING BENEFICIAL

20 THAT WE, HOPEFULLY, CAN REPRODUCE IN WHATEVER

21 EDUCATIONAL WAY WE WANT.

22 WHAT ARE OUR GUARANTEES THEY’RE

23 GOING TO DO THIS SHOW? OR SHOWS?

24 MS. TRGOVCICH: THERE ARE -- THE SHOW

25 ASPECT IS UNRELATED TO THE SPONSORSHIP. I NEED

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 TO MAKE SURE THAT EVERYONE IS VERY CLEAR ON
2 THIS. THIS IS PUBLIC TELEVISION AND YOU DO NOT
3 BUY PROGRAMMING WITH A SPONSORSHIP.
4 BUT THE REASON WHY THEY CAME TO US
5 IS BECAUSE OF OUR EXPERTISE IN THE ARENA OF
6 ORGANICS MANAGEMENT, COMPOSTING, VERMI
7 COMPOSTING, MULCHING, AND WORKING WITH
8 AGRICULTURE ON IMPROVING THE SOIL QUALITY AND
9 YIELD OF CROPS. SO, THEY'RE LOOKING TO US FOR
10 OUR EXPERTISE.
11 SO, WE HAVE THE OPPORTUNITY -- AND
12 THAT'S ONE OF THE REASONS WHY THEY SOUGHT US
13 OUT FOR SPONSORSHIP -- TO PROVIDE THAT
14 EXPERTISE TO THEM AS THEY CONSIDER FUTURE
15 PROGRAM CONTENT. AND WE WOULD HOPE THAT THEY
16 WOULD TAKE ADVANTAGE OF THAT EXPERTISE, AND
17 WORK WITH US. AND WE WILL BE AVAILABLE TO
18 PROVIDE WHATEVER ASSISTANCE, AND MAKE SURE TO
19 THE EXTENT THAT WE CAN, THAT THEY HEAR THAT
20 STORY, THEY HEAR THE STORY THAT MR. JONES
21 REFERENCED, THEY HEAR THE STORY THAT MEMBER
22 RHOADS REFERENCED, AND THEY HAVE THE ABILITY TO
23 HOOK UP WITH THE INDIVIDUALS TO BE ABLE TO TELL
24 THAT STORY.
25 MEMBER EATON: SO THERE'S JUST AS GREAT A

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 LIKELIHOOD THEY MAY DO THE STORY WITHOUT THE
2 SPONSORSHIP AS OPPOSED TO WITH THE SPONSORSHIP.
3 MS. TRGOVCICH: I COULDN'T SPEAK FOR
4 THAT. YOU KNOW, IT IS POSSIBLE YOU'D LIKE THE
5 REPRESENTATIVES OF KVIE TO RESPOND TO THAT.
6 BUT, THEY DID COME TO US BECAUSE OF
7 OUR RELATIONSHIP WITH AGRICULTURE.
8 CHAIRMAN PENNINGTON: WELL, IN ORDER TO
9 SHOW MY SUPPORT FOR THIS I'M GOING TO MOVE
10 ADOPTION OF RESOLUTION 98-408, WHICH -- TO
11 APPROVE THE REDIRECTION OF $100,000 FOR A
12 SPONSORSHIP TO THE CALIFORNIA HEARTLAND
13 TELEVISION SERIES.
14 MEMBER FRAZEE: I'LL SECOND.
15 CHAIRMAN PENNINGTON: IT'S BEEN MOVED
16 AND SECONDED. IS THERE ANY FURTHER DISCUSSION?
17 IF NOT, WILL THE SECRETARY CALL THE
18 ROLL?
19 THE SECRETARY: BOARD MEMBER EATON?
20 MEMBER EATON: NO.
21 THE SECRETARY: FRAZEE?
22 MEMBER FRAZEE: AYE.
23 THE SECRETARY: JONES?
24 MEMBER JONES: AYE.
25 THE SECRETARY: RHOADS?

Please note: These transcripts are not individually approved and reviewed for accuracy.

MEMBER RHOADS: AYE.

THE SECRETARY: SENATOR ROBERTI?

MEMBER ROBERTI: AYE.

THE SECRETARY: CHAIRMAN PENNINGTON?

CHAIRMAN PENNINGTON: AYE.

MOTION CARRIES.

MEMBER FRAZEE: MR. CHAIRMAN, I DO BELIEVE THE STAFF NEEDS SOME DIRECTION ON WHERE TO ACCESS THIS MONEY. DID YOU WANT --

MS. TRGOVCICH: THAT IS CORRECT. IN ADDITION TO THE--

CHAIRMAN PENNINGTON: THAT’S PART OF THE RESOLUTION, ISN’T IT?

MEMBER FRAZEE: NO, IT ISN’T.

MS. TRGOVCICH: WE PROVIDED SEVERAL ALTERNATIVES. THE ALTERNATIVE THAT STAFF WOULD RECOMMEND IS THE $50,000 FROM THE C&D ORDINANCE CONTRACT, AND $50,000 FROM THE C&D EDUCATIONAL CONTRACT CONCEPT.

MEMBER FRAZEE: I WILL MOVE THAT DIRECTION TO STAFF.

CHAIRMAN PENNINGTON: SECOND. ANY DISCUSSION ON THAT MOTION, AS TO WHERE WE GET THE FUNDING? IF NOT, WILL THE SECRETARY CALL THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

ROLL?

THE SECRETARY: BOARDMEMBER EATON?

MEMBER EATON: COULD WE RESTATE THE DIRECTION?

CHAIRMAN PENNINGTON: OH, YEAH. IT'S TO TAKE IT FROM THE C&D EDUCATION.

THE SECRETARY: BOARDMEMBER EATON?

MEMBER EATON: NO.

THE SECRETARY: FRAZEE?

MEMBER FRAZEE: AYE.

THE SECRETARY: JONES?

MEMBER JONES: AYE.

THE SECRETARY: RHOADS?

MEMBER RHOADS: AYE.

THE SECRETARY: ROBERTI?

MEMBER ROBERTI: AYE.

THE SECRETARY: CHAIRMAN PENNINGTON?

CHAIRMAN PENNINGTON: AYE.

MOTION CARRIES.

WE'LL MOVE TO ITEM 26, THE RPPC CERTIFICATION PROCESS FOR 1996.

SENATOR ROBERTI: MR. CHAIRMAN?

CHAIRMAN PENNINGTON: YES, SENATOR.

SENATOR ROBERTI: ON ITEM 26 I HAVE A STATEMENT TO MAKE.

Please note: These transcripts are not individually approved and reviewed for accuracy.

CHAIRMAN PENNINGTON: OKAY.

SENATOR ROBERTI: AT THE PRESENT TIME MY WIFE OWNS STOCK IN SEVERAL COMPANIES THAT MAY BE SUBJECT TO THE RPPC PROGRAM. WHILE I CANNOT DETERMINE DEFINITIVELY AT THIS TIME WHETHER OR NOT THE REGULATIONS OF THE FAIR POLITICAL PRACTICES COMMISSION WOULD PROHIBIT MY INVOLVEMENT WITH THIS DECISION, IT IS WITHIN THE REALM OF POSSIBILITY THAT THE EFFECT OF THIS DECISION COULD RESULT IN A FINANCIAL AFFECT ON THOSE COMPANIES. THEREFORE, I AM NOT GOING TO PARTICIPATE IN THE CONSIDERATION OF THIS MATTER IN ORDER TO AVOID THE POSSIBILITY OF A CONFLICT OF INTEREST.

EFFORTS ARE CURRENTLY UNDERWAY TO OBTAIN ADVICE FROM THE FAIR POLITICAL PRACTICES COMMISSION ON WHETHER OR NOT I MAY PARTICIPATE IN FUTURE DECISIONS REGARDING THIS PROGRAM.

CHAIRMAN PENNINGTON: VERY GOOD. THANK YOU, SIR. (MEMBER ROBERTI LEAVES THE QUORUM) OKAY. CONSIDERATION OF FINDINGS OF THE RIGID PLASTIC PACKAGING CONTENT (RPPC) MANUFACTURER CERTIFICATION PROCESS FOR 1996 AND THE NEXT STEPS TOWARD STATUTORY COMPLIANCE. MS. TRGOVCICH.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MS. TRGOVCICH: THANK YOU AGAIN,
2 CHAIRMAN PENNINGTON AND MEMBERS.
3 I APOLOGIZE IN ADVANCE FOR WHAT
4 WILL APPEAR TO BE A RATHER LENGTHY
5 PRESENTATION, BUT THIS IS A VERY COMPLICATED
6 ITEM. AND FOR THE BENEFIT OF MEMBER RHOADS,
7 WHO HAS NOT HEARD THIS ITEM PREVIOUSLY, AS WELL
8 AS MEMBER ROBERTI, WHO WILL NOT PARTICIPATE IN
9 THE DISCUSSION, WILL HOPEFULLY AT LEAST BENEFIT
10 FROM HEARING THE CONTENTS OF IT. WE'D LIKE TO
11 PROVIDE A BRIEF OVERVIEW, AS WELL.
12 THUS, THE ITEM WILL BE PRESENTED
13 ESSENTIALLY IN THREE PARTS. THE FIRST PART
14 WILL ESSENTIALLY BE AN OVERVIEW OF THE PLASTICS
15 MARKET SO THAT YOU CAN UNDERSTAND WHERE THIS
16 PROGRAM FITS. THE SECOND PART WILL BE A
17 SUMMARY OF THE FINDINGS OF THE 1996
18 CERTIFICATION PROCESS. AND THE THIRD PART WILL
19 BE A PRESENTATION OF THE OPTIONS, AND THERE ARE
20 11 OF THEM IN THE ITEM ITSELF.
21 IT'S IMPORTANT TO UNDERSTAND, BY
22 WAY OF BACKGROUND, THAT THIS WILL BE THE
23 CERTIFICATION PROCESS FOR CALENDAR YEAR 1996,
24 WHICH WILL BE THE SECOND YEAR FOR WHICH THE
25 BOARD HAS CALCULATED AN ALL-CONTAINER RATE.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THE STATUTE REQUIRES THAT THE BOARD CALCULATE
2 ON AN ANNUAL BASIS, AS ONE OF THE COMPLIANCE
3 OPTIONS THAT PRODUCT MANUFACTURERS CAN TAKE
4 ADVANTAGE OF, A PET, RATE AND AN
5 ALL-CONTAINER RATE.
6 IF THE ALL-CONTAINER RATE IS ABOVE
7 25 PERCENT FOR THAT CALENDAR YEAR THEN PRODUCT
8 MANUFACTURERS CAN BE ASSUMED TO BE IN
9 COMPLIANCE WITH THE LAW, AND NO OTHER PROCESS
10 CERTIFICATION OR OTHERWISE IS NEEDED TO VERIFY
11 COMPLIANCE.
12 FOR CALENDAR YEAR ‘95, WHICH WAS
13 THE FIRST YEAR THAT THE RATE WAS CALCULATED,
14 THAT RATE WAS CALCULATED AS A RANGE AND SPANNED
15 THE 25 PERCENT STATUTORY THRESHOLD FOR MINIMUM
16 CONTENT -- OR, FOR RECYCLING, EXCUSE ME.
17 THE RATE ITSELF, WHILE SPANNING THE
18 RANGE, THE BOARD DETERMINED THAT IT WAS NOT
19 NECESSARY TO GO FORWARD AND PURSUE ANY
20 ADDITIONAL COMPLIANCE OPTIONS AT THAT TIME.
21 AND, FOR ALL INTENSE PURPOSES, 1995 WAS
22 CONSIDERED TO BE A YEAR IN WHICH THERE WAS
23 COMPLIANCE.
24 THE RATE FOR ‘96 WAS CALCULATED --
25 AND JOHN WILL BE PRESENTING TO YOU A SUMMARY OF

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THOSE FIGURES -- BUT, THOSE FIGURES LED TO THE
2 INITIATION OF A CERTIFICATION PROCESS TO VERIFY
3 COMPLIANCE AMONGST PRODUCT MANUFACTURERS FOR
4 THAT CALENDAR YEAR.
5 WHAT'S ALSO VERY IMPORTANT FOR YOU
6 TO NOTE, AND YOU'LL SEE IT AS A FIRST PART OF
7 THE PRESENTATION, IS THAT THIS PROGRAM DOES NOT
8 REPRESENT A COMPREHENSIVE APPROACH TO PLASTICS.
9 WE HAVE RECEIVED A NUMBER OF CALLS THROUGH THIS
10 CERTIFICATION PROCESS THAT WOULD SEEM TO
11 INDICATE THAT THERE IS A LOT OF CONFUSION
12 AROUND JUST WHAT THE RPPC PROGRAM IS. AND IT
13 IS NOT A COMPREHENSIVE APPROACH TO PLASTICS.
14 IT AFFECTS A SMALL, VERY SMALL PERCENTAGE OF
15 THE WASTE.
16 AND, WITH THAT, I'LL TURN THE
17 PRESENTATION OVER TO JOHN NUFFER, WHO WILL BE
18 ASSISTED BY MICHELLE MARLOWEE AS WELL, IN
19 PROVIDING YOU WITH AN OVERVIEW, AS WELL AS THE
20 SUMMARY OF FINDINGS.
21 MR. NUFFER: THANK YOU, CAREN, AND GOOD
22 MORNING, MR. CHAIRMAN, BOARD MEMBERS. MY NAME
23 IS JOHN NUFFER. WITH ME TODAY ARE MICHELLE
24 MARLOWE AND NEAL JOHNSON, AND YATES, SO IT'LL BE A
25 BIG PRESENTATION.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 AND ALSO WITH US TODAY ARE LISA
2 LOAGE, MELONY JOHNSON, AND ROBERT KITTREDGE,
3 FROM PRICEWATERHOUSE-COOPERS. NOW, THEY'LL
4 MAKE A FEW-MINUTE PRESENTATION, AND ALSO BE
5 AVAILABLE TO ANSWER QUESTIONS.
6 MY PRESENTATION THIS MORNING IS
7 GOING TO BE A SUMMARY OF AGENDA ITEM NUMBER 26.
8 RATHER THAN DISCUSSING THE TIME IN DETAIL I'LL
9 SUMMARIZE THE HIGHLIGHTS, AND THEN INVITE YOUR
10 QUESTIONS AND COMMENTS. FIRST I'D LIKE TO
11 BRIEFLY, AGAIN, GIVE YOU SOME BACKGROUND.
12 ANNUALLY, WE CALCULATE A STATEWIDE
13 RECYCLING RATE FOR ALL RPPCS, OR RIGID PLASTIC
14 PACKAGING CONTAINERS, AND PET CONTAINERS. THE
15 LATEST RATES WERE CALCULATED FOR 1996. THEY
16 WERE ADOPTED BY THE BOARD LAST JANUARY.
17 THE 1996 OVERALL RECYCLING RATE FOR
18 ALL RPPCS WAS 23.2 PERCENT. THE 1996
19 RECYCLING RATE FOR PET CONTAINERS WAS 35.9
20 PERCENT. AND IF THE RECYCLING RATE IS 25
21 PERCENT OR GREATER FOR ALL RPPCS, THEN ALL
22 COMPANIES THAT SELL PRODUCTS PACKAGED IN RPPCS
23 ARE DEEMED TO BE IN COMPLIANCE WITH THE LAW.
24 IF A COMPANY ONLY USES PET CONTAINERS, AND THE
25 RECYCLING RATE FOR THESE IS 55 PERCENT OF MORE,

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THOSE COMPANIES COMPLY WITH THE LAW.
2 HOWEVER, IF THE OVERALL RECYCLING
3 RATE FOR ALL RPPCS, OR FOR JUST PET CONTAINERS
4 IS LESS THAN THE STATUTORY MINIMUM, THEN
5 COMPANIES MUST COMPLY WITH THE LAW ANOTHER WAY.
6 AND COMPANIES HAVE SEVERAL COMPLIANCE OPTIONS.
7 BASICALLY THEY CAN USE CONTAINERS
8 WITH 25 PERCENT POST-CONSUMER RESIN, OR THEY
9 CAN LIGHT-WEIGHT CONTAINERS, OR SOURCE-REDUCE
10 CONTAINERS BY 10 PERCENT WHERE THEY CAN EMPLOY
11 REUSABLE OR REFILLABLE CONTAINERS.
12 BECAUSE THE OVERALL RATE AND THE
13 PET RATE FOR 1996 WERE LESS THAN THE STATUTORY
14 MINIMUMS, THE BOARD DIRECTED STAFF TO BEGIN A
15 CERTIFICATION PROCESS AND MAILED CERTIFICATION
16 FORMS TO BETWEEN 250 AND 500 COMPANIES.
17 THE PURPOSE WAS TO GET A SENSE FOR
18 THE LEVEL OF COMPLIANCE IN 1996, SO THAT YOU
19 COULD THEN DISCUSS THE BOARD’S OPTION REGARDING
20 COMPLIANCE AND ENFORCEMENT.
21 AND THE AGENDA ITEM HAS TWO PARTS.
22 FIRST IT PRESENTS THE FINDINGS OF THE CURRENT
23 CERTIFICATION PROCESS FOR 1996 AND, SECOND, IT
24 PRESENTS STAFF’S RECOMMENDATIONS TO COMPLETE
25 THE CURRENT PROCESS WHILE ENSURING FUTURE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 COMPLIANCE.

2 WE ARE ASKING YOU TO CONSIDER THE

3 STAFF RECOMMENDATIONS AND THEN GIVE US GUIDANCE

4 ABOUT HOW YOU WOULD LIKE TO PROCEED REGARDING

5 BOTH THE CURRENT CERTIFICATION PROCESS AND

6 FUTURE COMPLIANCE AND ENFORCEMENT.

7 BUT BEFORE WE DESCRIBE THE

8 CERTIFICATION PROCESS AND OUR FINDINGS, I'D LIKE

9 TO DESCRIBE THE RELATIVE AMOUNT OF RPPCS IN THE

10 WASTE STREAM COMPARED TO ALL PLASTICS.

11 PLASTICS IN GENERAL REPRESENT ABOUT

12 SEVEN PERCENT OF THE CALIFORNIA WASTE STREAM,

13 AND THAT SEEMS TO BE GROWING. RPPCS ARE ABOUT

14 ONE PERCENT OF THE WASTE STREAM. AND, IF YOU

15 EXCLUDED FOOD, DRUG AND COSMETIC CONTAINERS

16 YOU'RE TALKING ABOUT LESS THAN ONE-HALF OF ONE

17 PERCENT OF THE WASTE STREAM. IF THAT SEEMS

18 LIKE A SMALL AMOUNT, IT REPRESENTS -- AT LEAST

19 IN 1996, IT REPRESENTED ALMOST 340,000 TONS OF

20 RPPCS.

21 I'D ALSO LIKE TO SHOW YOU SOME PIE

22 CHARTS DISPLAYING NATIONAL PLASTIC FIGURES.

23 THIS CHART IS A CHART OF THE GROWTH IN VIRGIN

24 RESIN PRODUCTION OVER THE LAST 17 YEARS, AND

25 THAT WORKS OUT TO ABOUT A 5 PERCENT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 COMPOUNDED ANNUAL GROWTH RATE. AND, AS YOU

2 KNOW, WHEN VIRGIN RESIN IS CHEAPER THAN POST-

3 CONSUMER RESIN IT PROVIDES STIFF COMPETITION

4 FOR POST-CONSUMER RESIN.

5 AND THE SECOND CHART SHOWS THAT

6 PLASTIC PACKAGING REPRESENTS A SIGNIFICANT

7 PORTION OF NATIONAL RESIN SALES. AND I’LL ZOOM

8 IT IN SO YOU CAN SEE THE DIFFERENT SEGMENTS.

9 PACKAGING IS THE BIG BLUE SEGMENT, THE RIGID

10 PLASTIC PACKAGING CONTAINERS CAN BE FOUND IN

11 MANY OF THOSE SEGMENTS, IN THE PACKAGING,

12 OBVIOUSLY, IN THE CONSUMER AND INDUSTRIAL

13 SECTION, IN THE ELECTRICAL SEGMENT, AND ALSO

14 THE INDUSTRIAL AND MACHINERY SECTION. 50 RPPCS

15 ARE SCATTERED THROUGHOUT THE PLASTIC STREAM.

16 AND THE LAST CHART SHOWS THAT

17 PLASTIC IS RECYCLED AT A LOWER RATE THAN ANY

18 OTHER MAJOR MATERIAL. PLASTIC IS THE SKINNY

19 GRAY SEGMENT UP IN THE TOP LEFT-HAND CORNER.

20 THEN I’M GOING TO SWITCH THE SYSTEM

21 HERE AND TAKE A SEAT.

•22 CHAIRMAN PENNINGTON: LET’S TAKE ABOUT

23 A 10-MINUTE BREAK HERE.

24 (OFF THE RECORD.)

25 II

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CHAIRMAN PENNINGTON: OKAY, JOHN, GO
2 AHEAD.
3 MR. EATON, YOU HAVE AN EX PARTE?
4 MEMBER EATON: JUST A SHORT
5 CONVERSATION WITH SANDY GEORGE REGARDING THIS
6 ITEM. BUT VERY BRIEF, AND JUST SOME GREETINGS.
7 CHAIRMAN PENNINGTON: OKAY. ANYBODY
8 ELSE HAVE ANY EX PARTES AT THIS POINT?
9 OKAY, JOHN.
10 MR. NUFFER: THANK YOU, MR. CHAIRMAN.
11 WE WOULD NOW LIKE TO SHOW YOU SOME
12 CONTAINERS TO GIVE YOU A SENSE OF WHAT IS MEANT
13 BY THE TERM “RIGID PLASTIC PACKAGING CONTAINER”
14 OR RPPC. SOME OF THE CONTAINERS THAT MICHELLE
15 WILL SHOW YOU NOW ARE DEFINED IN REGULATIONS AS
16 RPPCS AND SOME ARE NOT. AND SOME ARE EXEMPT
17 FROM THE LAW. AND WITH THAT, I’LL TURN IT OVER
18 TO MICHELLE.
19 MS. MARLOWEE: GOOD MORNING, CHAIRMAN, AND
20 BOARD MEMBERS. WHAT I HAVE BEFORE YOU TODAY ARE
21 PLASTIC RIGID PACKAGING CONTAINERS, AND THEY’RE ALL
22 RIGID PACKAGING PLASTIC CONTAINERS WHICH
23 CALCULATE IN THE RECYCLING RATE. BUT WHEN WE’RE
24 TALKING ABOUT CERTIFICATION, WE’RE ONLY TALKING
25 ABOUT THOSE CONTAINERS THAT AREN’T EXEMPTED FROM

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THE LAW BY THE PRODUCTS THEY HOLD. SO WE NEED TO
2 REMEMBER THAT SUBSEQUENT AMOUNT AMOUNTS TO THE
3 ORIGINAL RPPC STATUTE EXEMPTED FOOD, DRUGS, AND
4 COSMETICS. SO NONE OF THESE REALLY COUNTS.
5 THIS SIDE OF THE TABLE -- WE'LL TALK ABOUT THAT,
6 THOUGH. AND WHILE A LOT OF THESE PRODUCTS -- OH,
7 WAIT, HERE'S THIS DUCK. THIS IS RIGID; THIS IS PLASTIC;
8 IT HAS A CAP, BUT I DON'T THINK IT'S ANY ONE DEFINITION
9 OF A RPPC, SO WE'LL JUST PUT THAT IN THERE.
10 GOING OVER AND OVER THE DEFINITION OF WHAT IS
11 A RPPC, WE NEED TO REMEMBER THAT THEY ARE MADE
12 ENTIRELY OF PLASTIC, EXCEPT FOR CAPS, LIDS, LABELS.
13 THEY ARE PACKAGING CONTAINERS WHICH HOLD A
14 PRODUCT, AND THAT'S WHY THIS ONE FELL OUT. THEY
15 HOLD A PRODUCT FOR SALE OR DISTRIBUTION IN
16 CALIFORNIA. THEY ARE CAPABLE OF MAINTAINING THEIR
17 SHAPE WHILE HOLDING A PRODUCT. THEY'RE CAPABLE OF
18 MULTIPLE RE-CLOSURES WITH AN ATTACHED OR
19 UNATTACHED LID. IT'S LARGE ENOUGH TO CONTAIN AT
20 LEAST EIGHT FLUID OUNCES OF A PRODUCT, AND IT CAN'T
21 BE LARGER THAN FIVE GALLONS TO BE AN RPPC. SO
22 ANYTHING THAT WOULD BE LARGER THAN THAT GALLON
23 WOULD FALL OUT OF THE DEFINITION. THIS PRODUCT IS
24 AN RPPC PACKAGED THIS WAY. IF IT WERE PACKAGED THIS
25 WAY, IT WOULDN'T BE AN RPPC. IT WOULD FALL INTO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THAT CATEGORY. THE CAP MAKES ALL THE DIFFERENCE
2 ON THAT ONE.
3 MS. MARLOWE: IN THE FOOD CATEGORY, LET'S
4 JUST TALK ABOUT THAT A MINUTE. WE HAD A LOT OF
5 DATA, WELL, SOME DATA FROM LARGE MANUFACTURERS
6 OF FOOD ITEMS INDICATING COMPLIANCE IN ONE WAY OR
7 ANOTHER. THESE PRODUCTS, WHILE CONSIDERED A FOOD:
8 LIQUID CANDY, I THINK ONE PRODUCT CLAIMS 25 PERCENT
9 IN POST-CONSUMER CONTENTS, AND THE OTHER COMPANY
10 DOESN'T CLAIM MOST ITS PRODUCTS IN THE UNITED
11 STATES.
12 WE HAVE TWO PRODUCTS HERE IN
13 EIGHT-FLUID-OUNCE BOTTLES. ONE IS A SOAP. SO BY
14 DEFINITION, IT MUST MEET THE RIGID PLASTIC PACKAGING
15 LAW. THIS ONE SAYS FACIAL CLEANSER, ADVERTISED TO
16 BEAUTIFY AND ENHANCE MY SKIN. SO IT FALLS INTO THE
17 DEFINITION OF A COSMETIC AND, THEREFORE, MUST
18 COMPLY WITH THE RIGID PLASTIC LAWS.
19 MS. TRGOVCICH: IT MUST NOT.
20 MS. MARLOWE: SOAP, FACIAL CLEANSER, MUST
21 NOT. THANK YOU. ALL OF THESE SOAP MANUFACTURERS
22 MET COMPLIANCE IN ONE WAY OR ANOTHER.
23 TWENTY-FIVE PERCENT POSTCONSUMER CONTENTS OR
24 MORE -- SOME OF THEM EVEN ADVERTISED IT ON THEIR
25 BOTTLE. ONE COMPANY MET COMPLIANCE THROUGH

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 SOURCE REDUCTION, MAINTAINING THAT IN 1996 BY AT
2 LEAST 10 PERCENT.
3 MEMBER RHOADS: AND THAT MEANS WHAT?
4 MS. MARLOWE: IT MEANS THEY USED 10 PERCENT
5 LESS PLASTIC THAN THEY HAD IN THE PREVIOUS YEARS.
6 INTERESTING. WE HAVE A COSMETIC OVER HERE, A HAIR
7 CONDITIONER, WHICH FALLS INTO THE DEFINITION OF
8 COSMETIC, DOESN’T HAVE TO COMPLY WITH THE LAW, YET,
9 ADVERTISES USES 10 PERCENT LESS PLASTIC. YOU STILL
10 GET 15 FULL OUNCES OF PRODUCT. SO THEY DON’T HAVE
11 TO COMPLY, BUT WE’RE SEEING COMPLIANCE IN SOME OF
12 THESE AREAS.
13 OTHER METHODS OF COMPLIANCE: THERE ARE
14 OTHER METHODS BESIDES 25 PERCENT POSTCONSUMER
15 CONTENTS. WE TALKED ABOUT SOURCE REDUCING. A
16 PRODUCT COULD BE DESIGNED TO BE REFILLABLE. THIS IS
17 A CARTRIGE TONER. MY BOSS AND HIS BOY LIKE TO GO
18 HUNTING -- HE TELLS ME BB HUNTING. THE CONTAINER
19 WAS DESIGNED TO BE REUSABLE, AS THIS CRAFT TRAY IS.
20 SO THEY ARE MEETING COMPLIANCE THROUGH DESIGNING
21 THEIR PRODUCT TO BE REUSABLE.
22 SOME OF YOU MAY RECOLLECT THE LEGO THING.
23 THE PACKAGE WAS DESIGNED TO CONTAIN PRODUCTS FOR
24 THE LIFE OF THE PRODUCT AND THEREFOR COMPLIES THE
25 RPPC LAW THROUGH THE METHOD OF COMPLIANCE.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THE FOOD PRODUCTS I MENTIONED, THAT WE HEARD
2 FROM A NATIONAL FOOD MANUFACTURER, INDICATING
3 COMPLIANCE ON SOME OF THEIR PRODUCTS. THEY DIDN'T
4 HAVE TO RESPOND TO THE CERTIFICATION REQUEST, BUT
5 THEY DID.
6 WE HEARD FROM A NUMBER OF MOTOR OIL
7 COMPANIES THAT SAID THEY COULDN'T USE
8 POSTCONSUMER CONTENT BECAUSE THE PACKAGES
9 LEAKED. IT WAS TECHNICLOGICALLY INFEASIBLE, YET, WE
10 HEARD FROM SEVERAL WHO WERE ABLE TO USE 15
11 PERCENT POSTCONSUMER CONTENTS. SO IT LEAVES A
12 QUESTION FOR US. AND PROBABLY THE QUESTION THAT
13 YOU'RE ASKING THEN IS IF ALL OF THESE ARE EXEMPT,
14 WHAT IS COVERED? SOAPS AND DETERGENT ARE
15 COVERED, CLEANING SOLVENTS, AUTOMOTIVE
16 LUBRICANTS, TOYS, CRAFTS AND HOBBIES, AND TOOLS.
17 AND WITH THAT, I'LL TURN IT BACK OVER TO JOHN.
18 CHAIRMAN PENNINGTON: THAT WAS REALLY
19 GOOD, MADE
20 ME FEEL LIKE I WAS AT THE STATE FAIR AGAIN.
21 MS. MARLOWE: I HAVE A SET OF KNIVES I'D LIKE
22 TO TALK TO YOU ABOUT.
23 MR. NUFFER: LET ME -- THANK YOU. LET
24 ME TELL YOU WHAT WE GAVE YOU BEFORE THE
25 MEETING

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 TODAY. WE GAVE YOU THREE DOCUMENTS.

2 THE FIRST DOCUMENT WAS THE REVISED

3 RESOLUTION, WHICH SPELLED OUT STAFF'S

4 RECOMMENDATIONS BY OPTION, SO IT'S CLEAR WHAT

5 WE WOULD LIKE YOU TO CONSIDER.

6 THE SECOND IS THE PRICE,

7 WATERHOUSE, COOPER'S FINAL REPORT. AND I

8 SHOULD MENTION THAT SOME OF THE DATA IN THERE

9 DIFFERS FROM OUR DATA. OUR DATA WAS PUT

10 TOGETHER AS OF NOVEMBER 1ST BECAUSE WE HAD TO

11 GET THE AGENDA ITEM MOVING. THEIR DATA IN

12 THERE IS AS OF NOVEMBER 24TH, AND WE HAVEN'T

13 HAD TIME YET TO GO TO PRICE, WATERHOUSE TO

14 RECONCILE BOTH SETS OF DATA. WE WERE GETTING

15 REQUESTS AND CALLS FROM COMPANIES, WE WERE

16 GETTING REQUESTS FOR EXEMPTIONS, THEY WERE

17 GETTING REQUESTS FOR EXEMPTIONS, AND BOTH OF US

18 WERE GETTING INFORMATION THAT WE NEED TO

19 RECONCILE.

20 AND THE THIRD BIT OF INFORMATION

21 WAS A COPY OF THE BOARD'S PLASTIC MARKETING

22 GUIDE WHICH IS ON THE BOARD'S WEB SITE. THAT'S

23 UPDATED MONTHLY. AND THAT IS ON THE BOARD'S

24 WEB SITE.

25 NEXT I'LL BRIEFLY DISCUSS THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CERTIFICATION PROCESS, WITH LISA LOAGE'S HELP.
2 THIS IS THE FIRST TIME WE'VE CONDUCTED A
3 CERTIFICATION, SO WE FOLLOWED THE PROCESS
4 ESTABLISHED IN REGULATIONS, AND THAT BECAME
5 EFFECTIVE ON JANUARY 1ST, 1994.
6 THE INFORMATION MANAGEMENT BRANCH
7 DESIGNED OUR DATABASE, AND THAT DATABASE IS NOW
8 BEING USED BY PRICEWATERHOUSECOOPERS TO
9 STORE THE DATA SUBMITTED BY MANUFACTURERS AND
10 TO MAINTAIN ITS CONFIDENTIALITY.
11 PRICEWATERHOUSECOOPERS HAS AGREED TO MAINTAIN THE
12 DATA FOR AT LEAST THREE YEARS.
13 WITH THAT I'LL TURN IT NOW OVER TO
14 LISA LOAGE FROM PRICEWATERHOUSECOOPERS, AND
15 SHE WILL BRIEFLY DESCRIBE THEIR CONTRIBUTION TO
16 THE CERTIFICATION PROCESS.
17 MS. LOAGE: I AM LISA LOAGE, I'M WITH
18 PRICEWATERHOUSECOOPERS. AND WE WERE
19 ENGAGED, IN ABOUT JUNE OF THIS YEAR, BY THE
20 BOARD TO ASSIST IN THIS UNDERTAKING OF
21 CERTIFICATION. AND BASICALLY WHAT WE WERE
22 ENGAGED TO DO WAS TO ASSIST IN RECEIVING THE
23 RESPONSES FROM THE MANUFACTURERS AND
24 SUMMARIZING THE INFORMATION, AND PRESENTING A
25 REPORT TO THE BOARD, AND WE HAVE COMPLETED

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THAT.

2 AND AS JOHN SAID, WE ISSUED OUR

3 REPORT LAST WEEK, AND OUR REPORT INCLUDES ALL

4 THE RESPONSES RECEIVED THROUGH THE 24TH OF

5 NOVEMBER. SO IT IS GOING TO BE SOMEWHAT

6 DIFFERENT THAN THE INFORMATION THAT JOHN WILL

7 PRESENT, IN THAT WE HAVE RESPONSES RECEIVED

8 SUBSEQUENT TO NOVEMBER 1ST, IN ADDITION TO THE

9 FACT THAT I THINK SOME MANUFACTURERS WERE

10 PERHAPS CONFUSED ABOUT HOW TO RESPOND OR TO

11 WHOM THEY NEEDED TO RESPOND. AND SO THERE WERE

12 SOME RESPONSES RECEIVED DIRECTLY BY THE BOARD

13 THAT WERE NOT RECEIVED THROUGH

14 PRICEWATERHOUSE-COOPERS, AND EXCLUDED FROM OUR

15 RESULTS. SO, I MEAN, IN GENERAL, I GUESS THE

16 ONE COMMENT, OR OBSERVATION THAT WE HAD ON THIS

17 PROCESS WAS THAT THERE WAS A LOT OF CONFUSION

18 AND BECAUSE OF THAT THE RESPONSE RATE WAS QUITE

19 A BIT LESS THAN WHAT I THINK WE HAD ALL HOPED

20 FOR. I THINK WE ONLY RECEIVED ABOUT --

21 RESPONSE FROM ABOUT HALF OF THE CERTIFICATIONS

22 THAT WERE SENT OUT.

23 AND ALSO IT SHOULD BE POINTED OUT

24 THAT OUR ROLE WAS LIMITED TO COMPILING AND

25 SUMMARIZING THE RESPONSES AND PREPARING A

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 REPORT FOR THE BOARD. WE DIDN'T -- WE HAVE NOT
2 PERFORMED ANY VERIFICATION OR AUDIT-RELATED
3 WORK OF THE INFORMATION THAT WAS PRESENTED. IT
4 WAS COMPILED BASED ON THE INFORMATION THAT WAS
5 PROVIDED BY THE PRODUCT MANUFACTURERS.
6 AND WE ALSO DID NOT--WERE NOT
7 INVOLVED WITH THE SELECTION OF THE COMPANIES TO
8 BE CIRCULATED, AND WERE NOT INVOLVED IN THE
9 MAILING PROCESS.
10 AND I BELIEVE THAT JOHN IS GOING TO
11 GO INTO A LITTLE MORE DETAIL ABOUT WHAT THE
12 RESULTS WERE AND THE SPECIFICS FOR YOU.
13 MR. NUFFER: THANK YOU, LISA.
14 ONE SIGNIFICANT ISSUE WE FACED
15 INITIALLY WAS TO WHOM SHOULD WE MAIL THE
16 CERTIFICATION FORMS. UNFORTUNATELY, A LIST DID
17 NOT EXIST OF COMPANIES THAT SOLD PRODUCTS IN
18 CALIFORNIA DURING 1996 THAT WERE PACKAGED IN
19 RPPCS. WE, THEREFORE, COMBINED THERE COMMONLY
20 AVAILABLE LISTS OF MANUFACTURERS AND PACKAGING
21 BUYERS. AND THE SOAP AND DETERGENT
22 MANUFACTURERS ASSOCIATION MEMBERSHIP LIST,
23 WHICH THE ASSOCIATION GRACIOUSLY PROVIDED.
24 WE ALSO DID OUR OWN SURVEY OF
25 PRODUCTS IN LOCAL RETAIL STORES, AND THEN

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 RANDOMLY SELECTED 500 OF THOSE COMPANIES.
2 IT IS IMPORTANT TO NOTE THAT THIS
3 MAY NOT BE A STATISTICALLY-REPRESENTATIVE
4 SAMPLE OF THE COMPANIES THAT USED RPPCS IN
5 1996. A COMPLETE LIST OF THOSE COMPANIES THAT
6 PACKAGE THEIR PRODUCTS IN RPPCS, AND THEN SOLD
7 THEM IN CALIFORNIA DURING THAT YEAR IS NOT
8 AVAILABLE.
9 HOWEVER, WE BELIEVE THAT THE
10 FINDINGS MAY REASONABLY APPROXIMATE ACTUAL
11 COMPLIANCE. THIS IS BECAUSE WE OBTAINED
12 INFORMATION FROM COMPANIES IN 20 DIFFERENT
13 INDUSTRIES, AND MANY OF THESE COMPANIES ARE
14 LARGE COMPANIES THAT CREATE MUCH OF THE DEMAND
15 FOR POSTCONSUMER RESIN.
16 WE SPOKE PERSONALLY WITH MORE THAN
17 100 COMPANIES, AND WE BELIEVE THAT THE 80/20
18 RULE MAY APPLY HERE. IN OTHER WORDS, THAT 20
19 PERCENT OF COMPANIES USE 80 PERCENT OF THE
20 POSTCONSUMER RESIN. AND THAT WE HAVE DATA
21 FROM A NUMBER OF THE LARGEST COMPANIES. IN
22 FACT, WE ESTIMATE THAT ONE OF THE CONTAINER
23 MANUFACTURERS SUBMITTING INFORMATION USES ABOUT
24 TWO PERCENT OF TOTAL NATIONAL POSTCONSUMER
25 RESIN PRODUCTION.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 NOW I'D LIKE TO DISCUSS OUR
2 FINDINGS. FIRST, IF YOU LOOK AT THE CHART OF
3 OVERALL RESPONSE, IT'S ON 26-9 OF YOUR AGENDA.
4 WE OBTAINED ADDRESSES FOR 500 COMPANIES AND
5 MAILED CERTIFICATION FORMS TO EACH OF THEM. IT
6 TURNS OUT THAT SEVEN WERE DUPLICATES, 18 FIRMS
7 WERE NO LONGER IN BUSINESS, AND 15 RETURN
8 RECEIPT CARDS WERE NOT RETURNED. THAT LEFT 460
9 MANUFACTURERS THAT ACTUALLY RECEIVED THE
10 CERTIFICATION FORMS.
11 OF THOSE 460, 284 RESPONDED IN ONE
12 WAY OR ANOTHER; 176 DID NOT RESPOND AT ALL. OF
13 THOSE THAT RESPONDED, 133 DID NOT SELL PRODUCTS
14 IN CALIFORNIA OR DID NOT USE RPPCS IN 1996.
15 FIFTY-FIVE FIRMS SUBMITTED DATA. FIFTY-FOUR
16 REQUESTED EXEMPTIONS BECAUSE THEY SELL FOODS,
17 DRUGS, OR COSMETICS, OR MEDICAL DEVICES. FORTY
18 COMPANIES REQUESTED EXTENSIONS OF TIME TO
19 SUBMIT DATA. AND TWO REQUESTED WAIVERS, WHICH
20 MEANS THEY HAVE TO COMPLY ANOTHER WAY.
21 WE ATTEMPTED TO CALL EACH ONE OF
22 THESE THAT DID NOT RESPOND, BUT HAVE SO FAR
23 BEEN ABLE TO REACH ABOUT HALF OF THEM. AS A
24 RESULT OF OUR CALLING, WE EXPECT AN ADDITIONAL
25 25 COMPANIES TO SUBMIT DATA. IF YOU ADD THE 55

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 COMPANIES THAT HAVE ALREADY SUBMITTED DATA TO
2 THESE 25, AND THEN ADD THE 40 THAT REQUESTED
3 EXTENSIONS WE SHOULD ULTIMATELY HAVE DATA FROM
4 ABOUT 120 MANUFACTURERS, WHICH WILL BE ABOUT
5 ONE-QUARTER OF THE COMPANIES THAT ACTUALLY
6 RECEIVED THE CERTIFICATION FORMS.
7 NEXT, THE LEVEL OF COMPLIANCE SEEMS
8 TO BE RELATIVELY HIGH, BASED ON THE DATA
9 SUBMITTED. AS OF NOVEMBER 1ST, 1998, 45 OF 55
10 COMPANIES, OR 82 PERCENT OF THE COMPANIES
11 REPORTING TO US WHICH WERE NOT EXEMPT BY LAW,
12 APPEARED TO BE IN COMPLIANCE. ONLY EIGHT OF
13 THE 55, OR 14 PERCENT, APPEARED NOT TO BE IN
14 COMPLIANCE.
15 FURTHERMORE, SOME OF THE GROUP WHO
16 WERE OUT OF COMPLIANCE USE SOME AMOUNT OF
17 POSTCONSUMER RESIN. FOR EXAMPLE, MAYBE THEY USE
18 7 PERCENT OR 12 PERCENT POSTCONSUMER RESIN
19 INSTEAD OF THE 25 PERCENT THAT’S REQUIRED.
20 AND FINALLY, ONLY TWO COMPANIES, OR
21 FOUR PERCENT, DID NOT SUBMIT ENOUGH INFORMATION
22 FOR US TO DETERMINE WHETHER OR NOT THEY WERE IN
23 OR OUT OF COMPLIANCE.
24 AND AS A REMINDER, BECAUSE WE
25 DIDN’T KNOW EXACTLY WHICH COMPANIES USED RPPCS,

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WE COULD NOT DESIGN A STATISTICALLY-

2 REPRESENTATIVE SAMPLE, SO IT IS POSSIBLE THAT

3 THESE RESULTS MAY NOT REPRESENT ACTUAL

4 COMPLIANCE.

5 HOWEVER, AS I SAID, BASED ON OUR

6 DISCUSSIONS WITH MORE THAN 100 COMPANIES, AND

7 DATA FROM COMPANIES IN 20 DIFFERENT INDUSTRIES,

8 WE BELIEVE THE FINDINGS MAY REASONABLY

9 APPROXIMATE ACTUAL COMPLIANCE.

10 YOU SHOULD ALSO KNOW THAT THE

11 CERTIFICATION PROCESS ITSELF HAS GENERATED A

12 LOT OF INTEREST AROUND THE COUNTRY AND

13 STIMULATED A MOVE TOWARD COMPLIANCE BY A NUMBER

14 OF COMPANIES. FOR EXAMPLE, ONE WELL-KNOWN

15 COMPANY TOLD ME THAT IT WOULD BE CHANGING THEIR

16 PACKAGING SPECIFICATIONS TO INCLUDE THE USE OF

17 POSTCONSUMER RESIN.

18 ANOTHER INTERNATIONAL FIRM SAID

19 THAT THEY -- THAT WAS NOT IN COMPLIANCE IN

20 1996, COMMITTED TO US THAT THEY WILL BE LIGHT- WEIGHTING THEIR

PACKAGING SO AS TO BE IN

22 COMPLIANCE BY THE END OF 1999. TO DO THIS THEY

23 INTERRUPTED THEIR NORMAL SPECIFICATION AND

24 PURCHASING PROCESS.

25 ON THE OTHER HAND, YOU SHOULD ALSO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 KNOW THAT ONE FIRM SAID IT SWITCHED FROM EIGHT-
2 OUNCE TO SEVEN AND A HALF-OUNCE CONTAINERS TO
3 AVOID BEING REGULATED. AND ANOTHER COMPANY
4 SAID IT MIGHT GLUE OR HEAT-SEAL ITS CONTAINERS
5 INSTEAD OF SNAPPING THEM TOGETHER, ALSO TO
6 AVOID THE REGULATIONS.
7 ANOTHER POSITIVE DEVELOPMENT IS
8 THAT COMPANIES CHECKED WITH US BEFORE THEY MADE
9 CHANGES IN THEIR PACKAGING. ONE MAJOR
10 CONTAINER MANUFACTURER CALLED US TO SAY THAT
11 THEY WERE CONSIDERING A CHANGE IN THE RATIO OF
12 POSTCONSUMER AND POST-INDUSTRIAL RESIN IN
13 THEIR CONTAINERS AND ASKED IF THEY USED MORE
14 POST-INDUSTRIAL RESIN WOULD THEY STILL COMPLY
15 WITH THE REQUIREMENTS.
16 ANOTHER FIRM, LOCATED IN THE SOUTH,
17 CALLED US MONDAY ANONYMOUSLY AND ASKED A
18 NUMBER
19 OF QUESTIONS BECAUSE THEY WANTED TO MAKE SURE
20 THEY COMPLIED IN THE FUTURE.
21 SO, EVEN THOUGH WE WERE NOT ABLE TO
22 CERTIFY THE ENTIRE UNIVERSE OF COMPANIES USING
23 RPPCS, WHICH MAY BE 1,000, OR 5,000, OR 10,000,
24 THE PROCESS ITSELF HAS GENERATED SOME MOVEMENT
25 TOWARDS FUTURE COMPLIANCE.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 LET ME NOW DISCUSS STAFF'S
2 RECOMMENDATIONS, WHICH IF YOU ADOPTED ALL OF
3 THEM WOULD CONSTITUTE AN AMBITIOUS WORK
4 PROGRAM. HOWEVER, WE WANTED OUR
5 RECOMMENDATIONS TO PROVIDE A FAIR WAY TO
6 CONCLUDE THE 1996 CERTIFICATION BECAUSE SOME
7 COMPANIES HAVE SPENT A CONSIDERABLE AMOUNT OF
8 MONEY COMPLYING WITH THE REQUIREMENTS, AND TO
9 PROVIDE A PLAN FOR ENSURING FUTURE COMPLIANCE.
10 WE IDENTIFIED 11 OPTIONS IN THE AGENDA ITEM,
11 AND THEY BEGIN ON PAGE 26-2.
12 WE'RE ALREADY WORKING ON OPTION 10,
13 WHICH IS TO PUT TOGETHER A BETTER LIST OF FIRMS
14 THAT USE RPPCS, SO THAT OPTION IS NOT ONE THAT
15 WE'RE ASKING YOU TO CONSIDER TODAY.
16 THE REMAINING 10 OPTIONS CAN BE
17 DIVIDED INTO TWO GROUPS. THE FIRST GROUP,
18 OPTIONS 1 THROUGH 6, PROVIDE YOU WITH OPTIONS
19 FOR DEALING PRIMARILY WITH 1996 COMPLIANCE, AND
20 RANGE FROM COMPLETING THE CURRENT CERTIFICATION
21 PROCESS TO LEVYING FINES AND PENALTIES. THE
22 OTHER GROUP INCLUDES OPTIONS FOR ENSURING
23 FUTURE COMPLIANCE.
24 THE STAFF RECOMMENDATIONS INCLUDE
25 TWO OPTIONS FOR ADDRESSING 1996 COMPLIANCE, AND

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 FOUR OPTIONS AIMED AT ENCOURAGING FUTURE
2 COMPLIANCE.
3 THE FIRST OPTION WE RECOMMEND IS
4 OPTION 1, WHICH IS TO COMPLETE THE
5 CERTIFICATION PROCESS. TO BE FAIR TO FIRMS
6 THAT SUBMITTED DATA, AND TO ENSURE THAT EVERY
7 COMPANY THAT SHOULD HAVE SUBMITTED DATA DOES
8 SO.
9 WE ALSO RECOMMEND UNDERTAKING
10 OPTION 2, WHICH IS TO WORK WITH MANUFACTURERS
11 WHO ARE NOT IN COMPLIANCE TO FIND OUT WHY, AND
12 TO DO WHAT WE CAN TO ENCOURAGE OR FACILITATE
13 THEIR FUTURE COMPLIANCE.
14 NEXT WE WOULD RECOMMEND OPTION 8,
15 WHICH IS TO HOLD TECHNICAL WORKSHOPS AND/OR
16 ESTABLISH A TECHNICAL ADVISORY COMMITTEE.
17 THESE WORKSHOPS AND/OR THE COMMITTEE WOULD TAKE
18 THE INFORMATION GLEANED FROM THE FIRST TWO
19 OPTIONS AND WOULD DISCUSS THE TECHNICAL AND
20 ECONOMIC IMPEDIMENTS TO COMPLIANCE, AS WELL AS
21 THE OPPORTUNITIES FOR COMPLIANCE. THESE
22 WORKSHOPS COULD HIGHLIGHT THE REASONS WHY SOME
23 COMPANIES HAVE USED POST-CONSUMER RESIN OR HAVE
24 LIGHT-WEIGHTED THEIR CONTAINERS, AND WHY OTHERS
25 FIND IT DIFFICULT TO DO SO.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THE RESULTS OF THIS PROCESS WOULD
2 BE WIDELY DISSEMINATED THROUGH ASSOCIATIONS AND
3 INDUSTRY PERIODICALS TO ENCOURAGE MORE USE OF
4 POST-CONSUMER RESIN AND/OR LESS VIRGIN RESIN IN
5 CONTAINERS.
6 NEXT WE RECOMMEND OPTION 9, WHICH
7 IS TO CONSIDER LEGISLATIVE CHANGES THAT MIGHT
8 SIMPLIFY COMPLIANCE AND ENFORCEMENT. THE
9 PURPOSE OF SUCH CHANGES WOULD BE TO MAKE THE
10 RPPC LAW MORE WORKABLE. FOR EXAMPLE, IT MAY BE
11 POSSIBLE TO CHANGE THE LAW SO IT ACTS TO ASSIST
12 AND SHAPE FUTURE BUSINESS DECISION-MAKING.
13 CURRENTLY COMPANIES DON’T KNOW WHETHER THEY
14 WILL BE IN COMPLIANCE IN THE COMING YEAR
15 BECAUSE THE OVERALL RECYCLING RATE WILL BE
16 CALCULATED FOR A PAST YEAR.
17 FOR EXAMPLE, WE’RE IN THE PROCESS
18 OF CALCULATING THE 1997 RECYCLING RATE WHILE
19 COMPANIES ARE MAKING PACKAGING DECISIONS FOR
20 1999 AND BEYOND.
21 THE FOURTH RECOMMENDATION IS OPTION
22 11, WHICH COULD BEGIN SOONER DEPENDING ON
23 STAFF’S WORKLOAD AND/OR YOUR PRIORITIES. WE
24 BELIEVE THE STATE OF CALIFORNIA SHOULD BE
25 ENCOURAGING ITS VENDORS TO COMPLY WITH THE LAW,

Please note: These transcripts are not individually approved and reviewed for accuracy.

AND THAT DOESN'T APPEAR TO BE HAPPENING IN ALL CASES. WE WOULD ATTEMPT TO BEGIN DISCUSSIONS WITH THE DEPARTMENT OF GENERAL SERVICES TO BRING THE STATE'S VENDORS INTO COMPLIANCE. WE WOULD ALSO WANT TO COORDINATE THIS EFFORT WITH THE STATE AGENCY BY RECYCLE CAMPAIGN.

THE LAST OPTION IS OPTION 7, OR THE LAST RECOMMENDATION IS OPTION 7, WHICH WOULD BE TO REFINE THE CERTIFICATION PROCESS SO THAT IN APRIL OR MAY, WHEN WE CALCULATE THE 1997 RECYCLING RATE FOR ALL RPPCS WE WILL BE READY TO CONDUCT A FULL-BLOWN CERTIFICATION IF THE RECYCLING RATE IS LESS THAN 25 PERCENT, AND IF YOU DIRECT US TO DO SO.

BEFORE I INVITE YOUR QUESTIONS AND COMMENTS I WOULD LIKE YOU TO KNOW WHY WE DIDN'T RECOMMEND A STRICTLY ENFORCEMENT APPROACH AT THIS POINT IN TIME.

YOU HAVE THREE BASIC ENFORCEMENT OPTIONS, WHICH ARE LISTED AS OPTIONS 3, 4, AND 5 IN AGENDA ITEM 26. YOU MAY CALL FOR AUDITS OF FIRMS THAT, FOR EXAMPLE, DID NOT RESPOND OR DID NOT SUPPLY SUFFICIENT INFORMATION, OR THAT SUPPLIED QUESTIONABLE INFORMATION. YOU MAY ALSO REFER MANUFACTURERS TO THE ATTORNEY

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 GENERAL FOR PROSECUTION. AND, YOU MAY LEVY
2 FINES AND PENALTIES. WE ARE NOT, HOWEVER,
3 RECOMMENDING ANY OF THESE AT THIS TIME BECAUSE
4 OF THE FOLLOWING REASONS.
5 FIRST, THE GROUP OF 500 COMPANIES
6 THAT WE ASKED TO CERTIFY MAY OR MAY NOT BE
7 REPRESENTATIVE OF THE COMPANIES THAT SOLD
8 PRODUCTS AND RPPCS IN 1996.
9 AND, SECOND, THIS IS THE FIRST TIME
10 WE'VE CONDUCTED A CERTIFICATION AND A NUMBER OF
11 COMPANIES SAID THEY WERE UNAWARE OF THE LAW.
12 THIRD, WE'RE CERTIFYING FOR 1996
13 AND COMPANIES ARE MAKING PACKAGING DECISIONS
14 NOW FOR 1999 AND FUTURE YEARS.
15 AND LASTLY, IT APPEARS FROM THE
16 DATA WE'VE OBTAINED THAT COMPLIANCE OVERALL MAY
17 BE HIGH, EVEN THOUGH THERE ARE COMPANIES THAT
18 MAY NOT BE DOING ANYTHING TO COMPLY.
19 AND, WITH THAT, I'LL INVITE YOUR
20 QUESTIONS AND COMMENTS.
21 CHAIRMAN PENNINGTON: QUESTIONS. MR.
22 EATON.
23 MEMBER EATON: OH, ONE OF OUR FAVORITE
24 SUBJECTS HERE, ALWAYS, PLASTICS.
25 LET ME JUST KIND OF GO -- BECAUSE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 I'M VERY MUCH INTERESTED IN YOUR STATISTICAL --
2 YOUR PRESENTATION. YOUR 82 PERCENT COMPLIANCE,
3 THAT WAS OUT OF A 12 PERCENT RESPONSE. IS THAT
4 CORRECT?
5 MR. NUFFER: THAT'S CORRECT.
6 MEMBER EATON: OKAY. AND FROM THAT --
7 I'M JUST TRYING TO GET YOUR LOGIC HERE -- THAT
8 YOU EXTRAPOLATED THAT THERE WOULD BE
9 REASONABLE
10 COMPLIANCE OUT OF 12 PERCENT. I'M JUST -- I
11 JUST WANT TO GET--BEFORE YOU-
12 MS. TRGOVCICH: I THINK WE NEED TO
13 CLARIFY, THOUGH, THAT WHAT THAT 12 PERCENT
14 REPRESENTS IS, FROM THE 500 WHAT YOU'VE DONE IS
15 YOU'VE TAKEN OUT THE MANUFACTURERS NOT REQUIRED
16 TO REPORT, WHICH WAS 29 PERCENT --
17 MEMBER EATON: I UNDERSTAND, I KNOW THE
18 GAME OF STATISTICS. FOLLOW WHAT I'M SAYING.
19 BEFORE YOU GO, LET ME GO. I KNOW WHAT'S NOT
20 INCLUDED.
21 YOU ALSO HAVE, IF YOU WANT, 38
22 PERCENT OF THE INDIVIDUALS WHO DIDN'T RESPOND,
23 OR 176. CORRECT? SO I UNDERSTAND THAT PEOPLE
24 ARE NOT REQUIRED TO REPORT. THAT'S FINE, IF
25 YOU'RE NOT REQUIRED TO REPORT, YOU'RE NOT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 REQUIRED TO REPORT. WE'RE NOT DEALING WITH
2 THAT, WE'RE DEALING WITH WHAT'S LEFT.
3 AND I JUST WANT TO SAY, WHEN YOU
4 SAY 82 PERCENT COMPLIANCE, THAT'S ONLY ON A
5 REPRESENTATIVE SURVEY OF 12 PERCENT OF THOSE
6 WHO SUBMITTED DATA.
7 MS. TRGOVCICH: OF THOSE WHO ARE
8 REQUIRED TO REPORT, CORRECT.
9 MEMBER EATON: OKAY. THEN, AND THESE
10 WERE YOUR OWN WORDS, PRICEWATERHOUSE -- THIS
11 IS THEIR FINAL REPORT. CORRECT?
12 MR. NUFFER: YES.
13 MEMBER EATON: OKAY. I'D LIKE TO KNOW
14 INITIALLY, WHY DO WE HAVE A FINAL REPORT WHEN
15 WE STILL HAVE PEOPLE WHO ARE NOT RESPONDING?
16 COULD IT NOT HAVE BEEN A PRELIMINARY REPORT, OR
17 DID WE DO SOMETHING WRONG IN THE CONTRACT THAT
18 SHOULD HAVE ALLOWED US TO GO BACK THROUGH?
19 BECAUSE AREN'T WE FORECLOSED--I
20 MEAN, WHEN IT SAYS FINAL IT SEEMS LIKE IT'S
21 DONE. I DON'T THINK IT'S DONE.
22 MS. TRGOVCICH: WHAT WE WILL BE DOING
23 IS CONTINUING TO UPDATE THE DATABASE THAT
24 PRICEWATERHOUSE MAINTAINS. BECAUSE THIS WAS
25 THE POINT IN TIME THAT THE ITEM WAS BEING

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 PRESENTED TO THE BOARD WE WANTED TO MAKE SURE
2 THAT YOU HAD A PRODUCT FROM THE CONTRACTOR. SO
3 AS OF THIS POINT IN TIME THAT DATA IS WHAT IT
4 IS, AS OF NOVEMBER 24TH.
5 HOWEVER, AS JOHN SAID, WE WILL BE
6 UPDATING THE DATABASE. AND IN THE WRITTEN
7 AGENDA ITEM WE WILL ALSO BE RETURNING TO YOU
8 EITHER WITH A REPORT OR AS AN AGENDA ITEM,
9 HOWEVER YOU WOULD LIKE TO SEE IT DONE, WITH THE
10 FINAL NUMBERS.
11 MEMBER EATON: HOW CAN WE ARRIVE AT
12 CERTAIN CONCLUSIONS -- LET ME FINISH THE
13 QUESTION -- WHEN IN OUR OWN CONTRACTOR'S REPORT
14 THEY CANNOT VERIFY THE COMPLETENESS OR THE
15 ACCURACY OF THE INFORMATION?
16 MS. TRGOVCICH: THAT'S NOT WHAT THEY
17 WERE CONTRACTED TO DO. PRICEWATERHOUSE WAS
18 UNDER CONTRACT-19
MEMBER EATON: OKAY. SO THEY WEREN'T -
20 -WHO WAS?
21 MS. TRGOVCICH: THERE HAS BEEN NO
22 VERIFICATION PERFORMED OF THE INFORMATION
23 SUBMITTED. IF THE BOARD-
24 MEMBER EATON: DO YOU THINK THAT'S AN
25 IMPORTANT ELEMENT --

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MS. TRGOVCICH: THAT IS ONE OF THE --
2 MEMBER EATON: -- TO HAVING A
3 REASONABLE BASIS BY WHICH TO PROVIDE US WITH A
4 BASIS TO DECIDE WHETHER OR NOT THERE'S
5 COMPLIANCE, WHAT NEEDS TO BE CHANGED, WHAT
6 OPTIONS NEED TO BE PRESENTED? DON'T YOU THINK
7 THERE NEEDS TO BE SOME ELEMENT --
8 MS. TRGOVCICH: THAT WOULD BE YOUR
9 CHOICE, AS THE BOARD, IF YOU WISH TO PURSUE
10 THAT. OPTION NO. 3, WHICH IS TO --
11 MEMBER EATON: LET ME -- THERE'S SOME
12 CHOICE AS TO WHETHER OR NOT WE SHOULD HAVE
13 VERIFIED INFORMATION OR ACCURATE INFORMATION?
14 MS. TRGOVCICH: THAT IS ONE OF THE
15 OPTIONS PRESENTED TO YOU. OPTION NO. 3 IS TO
16 CONDUCT AUDITS. THE BOARD HAS THE ABILITY TO
17 REQUEST ADDITIONAL DOCUMENTATION SUBSTANTIATING
18 THE CLAIMS MADE BY THE MANUFACTURERS IN THE
19 CERTIFICATION PROCESS. THAT AUDIT PROCEDURE IS
20 A WRITTEN AUDIT, AND THERE ARE SPECIFIC
21 REQUIREMENTS LAID OUT IN THE REGULATIONS IF YOU
22 WANTED TO PURSUE VERIFYING THE INFORMATION
23 SUBMITTED.
24 MEMBER EATON: IF WE'RE GOING DOWN A
25 ROAD FOR THE FIRST TIME IT SEEMS TO ME -- AND I

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 VERY WELL COULD BE WRONG -- THAT WE WOULD WANT
2 TO TRY AND FIND OUT AS MANY WAYS TO VERIFY THE
3 INFORMATION THAT'S PRESENTED US SO THAT WE
4 AVOID THE PITFALLS AS WE GO DOWN THE ROAD A
5 SECOND TIME, AND NOT WORK ON A WHIM.
6 AND I THINK, AS REITERATED TIME AND
7 TIME AGAIN IN THIS PRESENTATION, IS THAT THIS
8 IS THE FIRST TIME WE'RE DOWN THE ROAD. AND I
9 THINK WE REALLY NEED TO KNOW WHERE WE ARE, SO
10 WE KNOW WHERE WE'RE GOING. IF YOU NEVER KNOW
11 WHERE YOU'VE BEEN, YOU'LL NEVER KNOW WHERE
12 YOU'RE GOING TO GO.
13 MS. TRGOVCICH: WE DIDN'T HAVE THE
14 ABILITY AS STAFF TO PURSUE THAT DOCUMENTATION
15 ELEMENT. THAT'S WHY IT'S PRESENTED AS AN
16 OPTION. IT IS NOT A STAFF-RECOMMENDED OPTION
17 AT THIS TIME, BUT IT IS INCLUDED.
18 THE AUDIT PROVISION --
19 MEMBER EATON: SO WHY WAS STAFF'S
20 RECOMMENDATION NOT TO INCLUDE IT?
21 MS. TRGOVCICH: I THINK, AS JOHN
22 SUMMARIZED FOR YOU, IT'S BECAUSE: (1) THIS WAS
23 A SMALL SAMPLE POPULATION THAT WE PURSUED THIS
24 YEAR; (2) NOT ALL COMPANIES WERE AWARE OF THE
25 LAW AT THE TIME, AND MANY OF THEM ARE STRIVING

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 TO COME INTO COMPLIANCE; (3) WE HAVE -- AND
2 THIS WAS THE DIRECTION THAT THE BOARD DIRECTED
3 US TO TAKE MANY MONTHS AGO, IT WAS TO BIFURCATE
4 THE PROCESS, PURSUE AN INITIAL CERTIFICATION
5 ONLY, JUST THE DOCUMENTATION THAT THEY WERE TO
6 SUBMIT.
7 AND THEN THE BOARD WOULD DETERMINE
8 WHETHER OR NOT THEY WANTED TO PURSUE ANY OTHER
9 OPTIONS AROUND THAT DATE AS SUBMITTED. AND
10 THAT'S WHAT'S IN THE ITEM YOU HAVE BEFORE YOU
11 TODAY.
12 MEMBER EATON: HOW CAN YOU HAVE A
13 WORKSHOP IF YOU DON'T KNOW THAT THE INFORMATION
14 THAT YOU'RE GOING TO LOOK TO, TO THE
15 MANUFACTURERS OR TO THOSE PEOPLE WHO MAY OR MAY
16 NOT HAVE TO COMPLY, AND TRY INSTRUCT THEM, IF
17 YOU DON'T HAVE THE FACTS BY WHICH TO INSTRUCT
18 THEM ON? OTHERWISE, WE'RE JUST GOING TO KIND
19 OF GO DOWN THIS ROAD AGAIN.
20 MR. NUFFER: IN ANTICIPATION OF THE
21 BOARD WANTING TO CONDUCT AUDITS WE'VE ASKED
22 PRICEWATERHOUSE-COOPERS TO PUT TOGETHER AN
23 ESTIMATE FOR US OF WHAT IT WOULD TAKE TO AUDIT
24 A SMALL-, MEDIUM-, AND LARGE-SIZED COMPANY, AND
25 THEY'RE IN THE PROCESS OF PUTTING THAT ESTIMATE

Please note: These transcripts are not individually approved and reviewed for accuracy.

TOGETHER. BUT THEY THINK IT MAY BE BETWEEN $35,000 AND $55,000 TO AUDIT THREE COMPANIES, ONE SMALL, ONE MEDIUM, AND ONE LARGE.

MEMBER EATON: WELL, WHAT ARE WE DOING ABOUT THE 176 WHO DIDN’T RESPOND? BECAUSE--AND I JUST PREFACE MY REMARKS -- YESTERDAY WE HAD THREE JURISDICTIONS WHO CAME BEFORE THIS BODY AS IT RELATES TO AB 939, THEY DIDN’T RESPOND IN ONE FORM OR ANOTHER. THIS BOARD TOOK ACTION ON ENFORCEMENT AGAINST THOSE.

WHAT, THEN, IS THE JUSTIFICATION FOR NOT INCLUDING SOME SORT OF ENFORCEMENT MECHANISM IN THIS ITEM, AND WHAT MAKES THIS ITEM OR THIS INDUSTRY DIFFERENT FROM THE LOCAL JURISDICTIONS AND THEIR OBLIGATION TO COMPLY?

MR. NUFFER: WELL, YOU ASKED A QUESTION ABOUT THE 176 THAT DID NOT RESPOND AT ALL?

MEMBER EATON: YEAH.

MR. NUFFER: WE HAVE ATTEMPTED TO CALL EACH AND EVERY ONE OF THOSE. WE HAVE BEEN ABLE TO REACH AND TALK TO AT LEAST HALF OF THOSE COMPANIES. WE FOUND THAT 25 COMPANIES OUT OF THAT 80 OR SO NEEDED TO SUBMIT DATA TO US AND DID NOT, AND WE’VE SENT THEM FORMS THAT THEY

Please note: These transcripts are not individually approved and reviewed for accuracy.

ARE FILLING OUT AND WILL RETURN TO US.

MEMBER EATON: SO WE'RE NOT COMPLETE. AND THIS ISN'T A FINAL REPORT. DON'T YOU THINK THAT WOULD HAVE TO BE PART OF THE REPORT?

MS. TRGOVCICH: AS I STATED EARLIER, WE WILL BE UPDATING THE DATABASE WITH ALL THE INFORMATION THAT WILL BE COMING IN AS A RESULT OF THE 176, PLUS THE 40 THAT REQUESTED TIME EXTENSIONS AND WILL BE SUBMITTING DATA. THAT WILL BE UPDATED, WE WILL PRESENT IT TO YOU IN EITHER A REPORT FASHION OR AN AGENDA ITEM, WHATEVER YOUR PLEASURE.

MEMBER EATON: AND OPTION 11, WHICH IS ASKING FOR OUR DEPARTMENT OF GENERAL SERVICES - - WHO HAVE BEEN, AS YOU WELL KNOW, A GREAT PARTNER AS IT COMES TO PROJECT RECYCLE AND ASSISTING US -- WILL BE THE ONLY ENFORCEMENT MECHANISM WE HAVE, BECAUSE WE HAVE TO GIVE THEM THE NAMES OF PEOPLE WHO AREN'T COMPLYING. BUT, YET WE CAN'T GET -- WE DON'T HAVE VERIFICATION OR ACCURATE INFORMATION AS TO WHETHER OR NOT THERE REALLY WAS, SO IF GENERAL SERVICES SAYS YOU'RE ON A LIST AND THEY SAY, WELL, WE REALLY DID COMPLY, THEY NEVER ASKED US FOR THE INFORMATION -- THAT'S WHERE WE ARE.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WE'RE USING GENERAL SERVICES AS OUR ENFORCEMENT
2 MECHANISM, AS THE OPTIONS LOOK HERE.
3 MS. TRGOVCICH: WE'RE NOT CATEGORIZING
4 THE DGS OPTION AS AN ENFORCEMENT MECHANISM.
5 HOWEVER, WHAT WE WOULD SAY IS THAT WE WOULD NOT
6 BE PURSUING OR RECOMMENDING ANY MANUFACTURERS
7 THAT DID NOT SUBMIT DATA WHERE -- OR
8 IT WAS NOT CLEAR THAT THEY WERE NOT IN
9 COMPLIANCE.
10 AND IF THE BOARD WANTED TO PURSUE
11 THE AUDIT OPTION YOU COULD VERIFY ANY OF THE
12 DATA SUBMITTED BY ANY OF THE 55-PLUS
13 MANUFACTURERS.
14 MEMBER EATON: LET'S GO BACK TO WHY
15 THOSE WHO HAVE FAILED TO COMPLY THERE IS NO
16 ENFORCEMENT RECOMMENDATION AS THERE WAS
17 COMPARED TO YESTERDAY WHEN WE HAD LOCAL
18 JURISDICTIONS. CAN YOU ANSWER THAT VERY SIMPLE
19 QUESTION?
20 MS. TRGOVCICH: CERTAINLY.
21 MEMBER EATON: WE'RE NOT COMPARING
22 APPLES AND ORANGES HERE.
23 MS. TRGOVCICH: CERTAINLY. FOR MOST OF
24 THESE MANUFACTURERS -- AND I THINK THAT THERE
25 ARE PERHAPS ASSOCIATION REPRESENTATIVES IN THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 ROOM TODAY THAT COULD SPEAK MORE CLEARLY TO IT
2 THAN WE COULD -- FOR MANY OF THEM THIS WAS THE
3 FIRST TIME THEY HEARD ABOUT THE COMPLIANCE
4 ISSUE.
5 DURING THE DEVELOPMENT OF THE
6 REGULATIONS THERE WERE MANY, MANY RESIN
7 MANUFACTURERS THAT WERE PARTY TO THE
8 DISCUSSIONS, THERE WERE MANY, MANY ASSOCIATION
9 REPRESENTATIVES, IN TERMS OF SOAP AND DETERGENT
10 AND OTHERS. MANY OF THE MANUFACTURERS,
11 HOWEVER, THIS WAS THE FIRST TIME THAT THEY
12 HEARD ABOUT THIS.
13 AND, UNLIKE LOCAL JURISDICTIONS
14 THAT HAVE KNOWN ABOUT AB 939 SINCE 1989, AND
15 HAVE HEARD ABOUT IT FROM OUR PLANNING STAFF AND
16 THE BOARD OVER THE YEARS, THIS WAS THE FIRST
17 OPPORTUNITY THAT MANY MANUFACTURERS HAD TO
18 INTERACT WITH US ON THIS LAW AT ALL.
19 MEMBER EATON: IN THE LAST DISCUSSION
20 WE HAD, IF YOU REMEMBER, ON THIS ITEM I TOLD
21 YOU AND THE PUBLIC THAT THE IGNORANCE OF THE
22 LAW IS NO EXCUSE. AND-
23 MS. TRGOVCICH: YOU JUST ASKED ME TO
24 EXPLAIN WHY THIS WAS DIFFERENT.
25 MEMBER EATON: RIGHT. AND I SAID

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 IGNORANCE OF THE LAW IS NO EXCUSE.

2 AND, WHAT YOU'RE BASICALLY TELL US

3 IS THAT IT'S OKAY FOR THEM TO DO WHAT THEY DID,

4 BASED BECAUSE THEY HAD NO KNOWLEDGE OR ANYTHING

5 LIKE THAT.

6 MS. TRGOVCICH: I KNOW. I SIMPLY

7 RESPONDED WHY WE VIEWED IT AS DIFFERENT.

8 MR. NUFFER: AND I THINK WE'RE TRYING

9 TO REPORT WHAT THEY'VE TOLD US.

10 MEMBER EATON: BUT YOU HAVEN'T TAKEN

11 ANY STEPS TO VERIFY -- IF YOU REMEMBER WHEN WE

12 WENT THROUGH THIS WHOLE PROCESS, THE REASON WHY

13 WE SET UP THE MECHANISM WITH PRICEWATERHOUSE

14 AND ALL OF THE OTHERS WAS TO SET UP A MECHANISM

15 THAT WOULD GIVE THE PROPRIETARY INFORMATION THE

16 COVER THAT .THE INDUSTRY NEEDED, AND I WAS THE

17 ONE THAT PUSHED THAT BECAUSE I BELIEVE THAT

18 THAT IS -- THAT THERE IS PROPRIETARY

19 INFORMATION.

20 BUT THERE HAS GOT TO BE SOME WAY

21 THAT WE AS A PUBLIC BODY HAVE THE ABILITY TO

22 VERIFY THAT THE INFORMATION'S ACCURATE.

23 I DON'T HAVE ANY PROBLEM—AND I

24 AGREE WITH MR. FRAZEE, THAT THERE NEEDS TO BE

25 SOME MAJOR CHANGES IN THIS LAW. BUT I NEED TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 KNOW WHAT IT IS AND WHERE IT IS THAT WE'RE
2 WRONG, AND WE DON'T HAVE THAT.
3 KATHRYN TOBIAS: MR. EATON, IF I MAY?
4 LET ME POINT OUT THAT -- AND I DON'T KNOW IF
5 THIS HELPS OR NOT -- BUT, LET ME POINT OUT THAT
6 THIS IS THE WAY THE REGULATIONS WERE SET UP.
7 THIS IS BASICALLY A SELF-CERTIFICATION PROGRAM
8 WHERE IT SAYS THAT PRODUCT MANUFACTURERS ONLY
9 UPON NOTIFICATION FROM THE BOARD ARE REQUIRED
10 TO CERTIFY TO THE BOARD.
11 IT THEN GOES ON TO SAY THAT THE
12 BOARD MAY REQUIRE PRODUCT MANUFACTURERS AND
13 CONTAINER MANUFACTURERS TO SUBMIT TO THE BOARD
14 SUPPORTING DOCUMENTATION THAT SUBSTANTIATES
15 THEIR COMPLIANCE TERMS.
16 SO I GUESS WHAT I HEAR STAFF
17 SAYING, AND WHERE I -- MAYBE I THINK WE NEED TO
18 ADDRESS THE NEXT STEP, WHICH IS WHAT YOU'RE
19 BRINGING UP, IS THAT STAFF HAS COME IN WITH THE
20 INFORMATION, THEY BASICALLY KNOW WHO HAS NOT
21 COMPLIED WITH THE REQUIREMENT TO TURN IN THE
22 CERTIFICATION. THEY'RE MAKING THE PHONE CALLS
23 TO TRY TO FOLLOW UP ON THAT.
24 AND SO IT SEEMS TO ME AT THAT POINT
25 IT KIND OF SPLITS INTO TWO CATEGORIES. YOU

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 HAVE THE ONES THAT YOU KNOW WHETHER OR NOT
2 THEY'VE COMPLIED, AND WE, YOU KNOW, PERHAPS
3 DEAL WITH THAT GROUP. AND THEN MAYBE WE SET
4 ANOTHER TIME FRAME FOR STAFF TO COME BACK TO
5 THE BOARD WITH THE PEOPLE THAT THEY'RE STILL
6 WORKING ON.
7 BECAUSE I THINK WHAT'S NOT SET OUT
8 HERE IS ANY KIND OF TIME FRAME. WE HAVEN'T
9 SAID AT WHAT POINT WE'LL CUT THIS OFF OR
10 WHATEVER. I THINK STAFF HAS KIND OF ASSUMED
11 THAT, YOU KNOW, WE HAD -- WE ASKED THEM TO
12 COMPLY WITH THIS CERTAIN DATE. NOW WHAT WE
13 NEED TO DO....
14 AND SO THE ENFORCEMENT, YOU KNOW,
15 MAYBE NEEDS TO BE DIVIDED DEPENDING ON WHO
16 WE'RE DEALING WITH IN THESE DIFFERENT GROUPS --
17 MEMBER EATON: AND I WOULD AGREE WITH
18 YOU THAT THERE-
19 KATHRYN TOBIAS: --AND I THINK AT SOME
20 POINT THAT-
21 MEMBER EATON: --NEEDS TO BE THE
22 SEGREGATION. BUT I DON'T KNOW HOW YOU EVER GET
23 TO THE SECOND IF YOU DON'T HAVE A BASIC SET OF
24 ACCURATE, VERIFIABLE DATA ON WHICH TO MAKE THE
25 LEAP. I DON'T WANT TO MAKE A LEAP TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 ENFORCEMENT WHEN I DON’T HAVE THE FACTS. THAT’S
2 ALL I’M SAYING.
3 PUTTING THE CART BEFORE THE HORSE. I WANT TO
4 SEE WHAT THE FACTS WERE.
5 YESTERDAY, WHEN WE WENT THROUGH THE
6 LOCAL JURISDICTIONS, WE HAD A SERIES OF FACTS
7 THAT TALKED ABOUT IT.
8 AND SO I AGREE WITH YOU, THAT THE
9 SECOND STEP -- THERE IS A TWO-LEVEL STEP. I AM
10 NOT ANXIOUS TO GO OUT THERE AND TRY AND RAPE
11 AND RAVAGE THESE INDUSTRIES.
12 WHAT I AM TRYING TO DO, HOWEVER, IS
13 TWOFOLD, AND I’LL BE VERY FRANK ABOUT IT. I
14 THINK IT IS AN ILL-DRAFTED LAW, IT NEEDS TO BE
15 PUSHED TO THE FURTHEST SO THAT WE CAN SEE
16 WHATEVER WARTS AND BUBBLES AND PIMPLES IT HAS,
17 THEN BE ABLE TO GO TO THE OPTION WITH A
18 LEGISLATIVE REMEDY AND TALK WITH PEOPLE IN THE
19 INDUSTRY, WHO ARE VERY RECEPTIVE. EVERYONE
20 AGREES -- I MEAN, WE PROBABLY AGREE ON MORE
21 THINGS THAN WE DISAGREE ON WHEN IT COMES TO
22 THIS LAW, SO LET’S WORK ON IT.
23 BUT WE ALSO NEED TO BE ABLE TO SEE
24 WHAT THE INFORMATION HAPPENS TO BE SO THAT WE
25 CAN FRAME SOMETHING SO WE DON’T GO DOWN THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 SAME PATH THAT WE WENT BEFORE. AND THAT'S NOT
2 WHAT'S FORTHCOMING.
3 MS. TRGOVCICH: AND THAT WOULD BE AN
4 OPTION THAT YOU MAY WISH TO PURSUE. IF YOU
5 WERE TO ADOPT OPTION NO. 3, THAT WOULD INVOKE
6 THE AUDIT PROVISIONS WHICH WOULD REQUIRE THE
7 DOCUMENTATION TO SUBSTANTIATE THE CERTIFICATION
8 CLAIMS THAT THE MANUFACTURERS MADE. AND WE
9 COULD APPLY THAT AUDIT PROVISION EITHER ACROSS
10 ALL OF THE MANUFACTURERS THAT SUBMITTED DATA,
11 OR TO A SPECIFIC FOCUSED GROUP.
12 FOR EXAMPLE, THOSE THAT MAY HAVE
13 QUESTIONABLE CERTIFICATIONS OR THOSE THAT MAY
14 NOT BE IN COMPLIANCE OR OTHERWISE. BUT THAT
15 MAY BE OPTION THAT YOU WISH TO PURSUE IN ORDER
16 TO VERIFY THE EXISTENCE OF -- OR, THE
17 INFORMATION THAT WAS SUBMITTED IN THE
18 CERTIFICATION PROCESS.
19 EXECUTIVE DIRECTOR CHANDLER:
20 CAREN, DO YOU HAVE ANY FEEL
21 FOR WHAT THE FISCAL IMPLICATIONS ARE OF AN
22 ACROSS-THE-BOARD AUDIT AND WHETHER OR NOT WE
23 HAVE REIMBURSABLE PROVISIONS IN THIS STATUTE TO
24 RECOUP OUR COSTS?
25 MS. TRGOVCICH: AS JOHN STATED A FEW

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MINUTES AGO, WE ASKED PRICEWATERHOUSE-COOPERS
2 TO GIVE US AN ESTIMATE ON WHAT THE
3 AUDIT WOULD COST. REMEMBER THAT THE REGULATIONS
4 ARE VERY DETAILED. SO WE WOULD NEED TO SUBMIT
5 THAT EACH PRODUCT MANUFACTURER
6 WOULD NEED TO SUBMIT IN THIS VERIFICATION
7 PROCESS IS EXTENSIVE. PRICEWATERHOUSE-COOPERS
8 INDICATED THAT TO DO AN AUDIT OF THREE
9 FIRMS, ONE SMALL-, ONE MEDIUM-, ONE LARGE-SIZED
10 MANUFACTURER, THAT WE WOULD BE LOOKING IN THE
11 RANGE OF $35,000 TO $55,000 TO DO THREE OF
12 THEM, BASED UPON THE REQUIREMENTS IN THE
13 REGULATIONS.
14 CHAIRMAN PENNINGTON: ANY OTHER -- MR.
15 RHOADS?
16 MEMBER RHOADS: IS BOARD MEMBER EATON
17 DONE?
18 CHAIRMAN PENNINGTON: YEAH, HE’S DONE.
19 GO AHEAD, MR. RHOADS.
20 MEMBER EATON: NOT FINAL, AS IS THE
21 REPORT.
22 MEMBER RHOADS: I HAVE A COUPLE
23 QUESTIONS ALSO. THE FIRST IS, THERE IS EIGHT
24 BUSINESSES, COMPANIES THAT WE HAVE IDENTIFIED
25 THAT ARE NOT COMPLYING WITH THE LAW. WHAT ARE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WE DOING ABOUT THOSE EIGHT COMPANIES?

2 MS. TRGOVCICH: I WOULD PLACE THEM INTO

3 A COUPLE OF DIFFERENT CATEGORIES. ONE, THERE

4 ARE MANUFACTURERS WITHIN THAT EIGHT THAT HAVE

5 COME IN AND THEY SAID WE DIDN'T MEAN TO, WE

6 DIDN'T -- WEREN'T AWARE, OR WE ASSUMED THAT --

7 ACROSS THE INDUSTRY THAT THERE WOULD BE

8 COMPLIANCE AT THE 25 PERCENT LEVEL. HOWEVER,

9 WE ARE MAKING MODIFICATIONS RIGHT NOW.

10 AND I THINK JOHN DESCRIBED

11 ANONYMOUSLY ONE MANUFACTURER THAT HAS

12 BASICALLY INTERRUPTED THEIR 1999 PURCHASING

13 SCHEDULE IN ORDER TO BE IN COMPLIANCE FOR THE '99

14 CALENDAR YEAR.

15 AND THEN THERE ARE OTHERS THAT WE WOULD

16 HOPE TO PICK UP THROUGH ONE OF THE OTHER

17 OPTIONS THAT WE RECOMMENDED APPROVAL ON, AND

18 THAT WOULD BE THE OPTION TO WORK WITH THESE

19 MANUFACTURERS TO BRING THEM INTO COMPLIANCE.

20 SO, TO WORK WITH THEM ON WHAT THEIR PRODUCT

21 TYPES WERE, TO WORK WITH THEM ON WHAT THE RESIN

22 CONTENTS WERE, AND TO BE ABLE TO MOVE THEM DOWN

23 A PATH. SO, TWO DIFFERENT CATEGORIES.

24 MEMBER RHOADS: I REGARD THE AUDIT AS A

25 LITTLE BIT DIFFERENT THAN -- IT SEEMS TO ME

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WHEN YOU HAVE EIGHT COMPANIES THAT YOU KNOW ARE
2 NOT COMPLYING WITH THE LAW THAT WE OUGHT TO
3 HAVE AN OPTION THAT DEALS WITH THOSE EIGHT
4 COMPANIES, AND AT A MINIMUM A REPORT BACK TO
5 THE BOARD.
6 BUT LET ME CONTINUE FOR A SECOND.
7 THE OTHER THING THAT KIND OF BOTHERS ME IS THE
8 176 COMPANIES. YOU KNOW, WE HAVE A LOT OF
9 COMPANIES THAT SPENT A LOT OF TIME FILLING OUT
10 THE FORMS AND TALKING TO OUR STAFF AND SO
11 FORTH, AND THEN WE HAVE 176 COMPANIES THAT, AT
12 FIRST BLUSH, DIDN’T SEEM TO DO ANYTHING. NOW
13 YOU’RE SAYING THAT THESE COMPANIES ARE STILL
14 FILLING OUT THE FORMS.
15 AND WHAT HAPPENS IF WE HAVE A GROUP
16 OF THOSE COMPANIES THAT JUST REFUSE TO SUBMIT
17 ANYTHING OR DEAL WITH US? WHAT DO WE DO IN
18 THAT CASE?
19 MS. TRGOVCICH: OF THE 176 -- AND I’LL
20 LET JOHN TAKE THIS IN A MINUTE -- BUT OF THOSE,
21 I THINK JOHN SAID THAT WE’VE BEEN TRYING TO
22 CALL ALL OF THEM, AND THAT OF THOSE THAT WE’VE
23 CALLED SO FAR APPROXIMATELY 25 OF THEM WILL BE
24 SUBMITTING INFORMATION.
25 AND WE WILL BE CONTINUING TO TRY TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WORK WITH THE REST. SOME OF THEM MAY NOT EVEN
2 BE REGULATED BY THIS LAW, SOME OF THEM MAY
3 ACTUALLY HAVE RPPCS BUT THEY'RE EXEMPT UNDER
4 ONE OF THE PROVISIONS.
5 JOHN, DO YOU WANT TO ADD TO THAT?
6 MR. NUFFER: THAT'S EXACTLY RIGHT. WE
7 FOUND OUT OF THOSE 80 OR SO THAT WE CALLED OUT
8 OF THE 176, AND WE TRIED TO CALL EVERYBODY BUT
9 IT WASN'T POSSIBLE TO REACH THE RIGHT PERSON AT
10 THE TIME THAT THE CALL WAS MADE IN EVERY CASE.
11 TWENTY-FIVE APPEARED THAT THEY SHOULD HAVE
12 COMPLIED, AND WE'LL MAKE SURE THEY DO SUBMIT
13 INFORMATION. SOME WERE EXEMPT BECAUSE THEY
14 WERE PHARMACEUTICAL FIRMS OR FOOD COMPANIES.
15 AND SOME JUST DIDN'T USE RPPCS, SO SOME WERE
16 OUT OF THE REGULATIONS ALL TOGETHER.
17 MEMBER RHOADS: WELL, WHAT I'M
18 WONDERING ABOUT IS -- AND I'M NOT -- I MAY BE
19 TALKING ABOUT AUDITS, BUT I DON'T THINK SO --
20 COULDN'T YOU USE SOME HELP FROM US IN BEING
21 ABLE TO GET THOSE PEOPLE TO RESPOND? ISN'T
22 THERE SOME -- ANOTHER OPTION HERE THAT WE
23 SHOULD INCLUDE THAT WOULD PUT A LITTLE TEETH
24 INTO YOUR EFFORTS TO GO OUT AND GET INFORMATION
25 FROM THEM?

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 AND THEN I'D ALSO LIKE TO SEE

2 ANOTHER OPTION TO GIVE YOU SOME HELP IN DEALING

3 WITH THE EIGHT THAT WE KNOW HAVEN'T COMPLIED.

4 I MEAN, I THINK WE NEED -- YOU KNOW, NUMBER

5 ONE, WE NEED TO FOLLOW UP. I MEAN, WE NEED A

6 VERIFICATION OF WHAT THEY'RE GOING TO DO TO

7 COMPLY. AND IF NOT, THEN WE NEED TO PURSUE

8 WITH ENFORCEMENT ACTION.

9 AND THAT WOULD BE—THOSE ARE TWO

10 OPTIONS THAT I THINK WE NEED TO HAVE ADDED TO

11 THIS LIST.

12 KATHRYN TOBIAS: WELL, I THINK WHAT WE

13 MAY WANT TO LOOK AT -- I DON'T THINK THERE'S --

14 WE DON'T HAVE THE SAME PROVISIONS AND

15 REGULATIONS FOR THE GOOD-FAITH EFFORT THAT WE

16 LOOKED AT YESTERDAY, WHERE WE HAVE PEOPLE WHO

17 ARE COMING IN TO SHOW WHAT THEY'VE TRIED TO DO.

18 BUT I THINK IN ESSENCE THAT'S WHAT YOU MAY HAVE

19 IN THAT GROUP OF EIGHT COMPANIES.

20 SO I THINK IF THOSE HAVE RESPONDED,

21 YOU KNOW, I THINK THERE'S ALWAYS THE QUESTION

22 OF THE EFFICACY OF ENFORCEMENT. SO IT SOUNDS

23 LIKE THOSE ARE COMPANIES THAT WE COULD WORK

24 WITH, YOU KNOW, UNDER SOME KIND OF TIME FRAME

25 THAT THE BOARD SETS, YOU KNOW, 30, 60, 90, TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 GET THE INFORMATION IN TO COME BACK TO THE
2 BOARD AND REPORT.
3 THE OTHER GROUP I THINK IS, TO ME,
4 MORE PROBLEMATICAL IN THE SENSE OF, EVIDENTLY
5 STAFF IS WORKING WITH LISTS OF MANUFACTURERS.
6 WE DON’T KNOW -- AND THIS IS A BIG PART OF THE
7 PROBLEM -- WE DON’T KNOW WHETHER THEY PRODUCE
8 PRODUCTS THAT ARE SUBJECTED TO THIS. SO IN TERMS OF
9 THIS FIRST YEAR, YOU KNOW, OUT THE DOOR, YOU’RE
10 SEEING SOME OF THE PROBLEMS WITH THIS LEGISLATION.
11 THE THREATS OF AN AUDIT IS WHAT THOSE OTHER
12 COMPANIES REALLY NEED TO HAVE, THAT THEY NEED
13 TO EITHER GET THE INFORMATION IN THAT THEY ARE
14 NOT SUBJECT TO THE LAW ON A FAIRLY SHORT TIME
15 FRAME, OR WE WILL GO OUT AND DO THAT.
16 YOU KNOW, FROM A SENSE OF THE
17 EFFICACY AND EFFICIENCY OF DOING AUDITS, I
18 THINK THAT THAT’S PROBABLY A BETTER PLACE TO
19 MAYBE SPEND THAT TIME AND EFFORT, BOTH AS A
20 THREAT OR ACTUALLY GOING OUT AS OPPOSED TO
21 PEOPLE WHO ARE TRYING TO COMPLY AND ARE COMING
22 IN.
23 MS. TRGOVCICH: BECAUSE ONE OF THE
24 IMPORTANT POINTS TO REMEMBER IS THAT THIS IS
25 THE ‘96 PROCESS, SO THE AUDITS WOULD BE AROUND

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WHAT HAPPENED IN 1996. AND THEY ARE NOW
2 PURCHASING FOR ‘99. SO THE AUDIT PROVISION
3 WOULD ONLY PERTAIN TO THE ‘96 DATA.
4 THERE WOULD NEED TO BE A SEPARATE
5 EFFORT, WHICH IS WHAT WE’RE DESCRIBING, I
6 BELIEVE, IN OPTION NO. 2, TO BE ABLE TO WORK
7 WITH THEM TO GET THEM IN COMPLIANCE, AS WE’VE
8 DONE WITH SEVERAL OF THEM IN THE FOLLOWING
9 CALENDAR YEAR, 1999.
10 MEMBER RHOADS: AND WHAT HAPPENS IF
11 THEY DON’T GET IN COMPLIANCE?
12 MS. TRGOVCICH: YOU WOULD CERTAINLY
13 HAVE THE OPTION -- YOU WOULD HAVE THE OPTION,
14 ONE, UNDER 1996 NOW TO PURSUE ENFORCEMENT, OR
15 PRECEDED BY AN AUDIT PROVISION FOR 1996.
16 YOU WILL ALSO HEAR THE CALCULATION
17 OF THE 1997 RATE IN THE SPRING OF THIS YEAR,
18 AND YOU WILL HAVE AN OPPORTUNITY TO LOOK AT IT
19 THEN.
20 AND THEN ONCE THE WASTE
21 CHARACTERIZATION STUDY IS COMPLETED, YOU WILL
22 THEN ONCE AGAIN CONSIDER 1998.
23 ANY OF THOSE YEARS, DEPENDING UPON
24 WHAT THE ALL-CONTAINER RATE IS, WHETHER OR NOT
25 IT FALLS ABOVE OR BELOW 25 PERCENT, YOU WILL

Please note: These transcripts are not individually approved and reviewed for accuracy.

POTENTIALLY HAVE THE OPPORTUNITY TO PURSUE CERTIFICATION FURTHER, AND ANY OF ITS SUBSEQUENT OPTIONS.

MEMBER JONES: MR. CHAIRMAN?

CHAIRMAN PENNINGTON: MR. JONES.

MEMBER JONES: FIRST OFF, I WANT TO THANK STAFF FOR THE PRESENTATION. I THINK THAT JUST WHAT YOU DID HERE BY EXPLAINING WHAT KIND OF CONTAINERS ARE IN AND OUT I THINK ALSO BRINGS THE MAGNITUDE OF THE TASKS THAT YOU'VE BEEN HANDED. TO CULL A LIST OF PROBABLY 50,000 OR 100,000 PEOPLE THAT SELL PRODUCTS THAT ARE PACKAGED IN PLASTIC IN THE STATE OF CALIFORNIA, AND DETERMINE OF THOSE WHICH ONES FALL IN THAT CATEGORY AND WHICH ONES CALL IN THE REST OF THE UNIVERSE IS NOT AN EASY TASK.

BUT I ALSO THINK THAT WHILE 500 WAS A PRETTY GOOD NUMBER, I REMEMBER -- YOU KNOW, I MEAN, I DON'T THINK THAT PEOPLE UNDERSTOOD THAT IT WASN'T THE FOLKS THAT MADE THE PACKAGING, IT WAS THE FOLKS THAT FILLED THE PACKAGING THAT MADE IT SO HARD. AND WITH THE ECONOMY OF CALIFORNIA GETTING MATERIAL FROM ALL OVER THE WORLD IT ALSO MAKES IT THAT MUCH HARDER.

SO I THINK THAT IF YOU WERE TO WORK

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WITH THE PACKAGING PEOPLE, NOT THE 500 BUT THE
2 50,000 MANUFACTURERS OUT THERE, AND MAKE THEM
3 AWARE OF OUR LAW, AND MAKE THEM AWARE OF WHAT
4 WE'RE TRYING TO ACCOMPLISH HERE WE MAY END UP
5 HAVING MORE SUCCESS THAN DOING AN AUDIT AT
6 THREE FACILITIES THAT.... I MEAN, YOU'RE
7 TAKING A CHANCE -- I MEAN, I DON'T KNOW WHAT
8 WE'RE GOING TO ACHIEVE BY AUDITING THREE OUT OF
9 50,000. YOU KNOW, I MEAN, I HAVE A HARD TIME
10 WITH THAT.
11 I THINK THAT SIMILAR TO THE METHOD
12 THAT WE TOOK WITH CITIES AND COUNTIES TRYING TO
13 GET THEM INTO COMPLIANCE, I THINK WE NEED TO
14 USE THAT AS A ROAD MAP ON THIS PROJECT.
15 THE ONE THING I'D LIKE TO SEE IS
16 THAT, SINCE WE'RE GETTING INTO 1999 -- AND I
17 GUESS WE'VE STILL GOT TWO YEARS OF THESE AUDITS
18 BEHIND US, SO WE'RE ALWAYS DEALING IN THE PAST
19 -- HOW DO WE ACCELERATE THIS THING SO THAT WE
20 CAN SKIP A YEAR AND GET INTO '98-99 SO THAT
21 WE'RE NOT ONLY TALKING ABOUT WHAT WAS DONE LAST
22 YEAR, BUT PROACTIVELY WHAT NEEDS TO BE DONE IN
23 THE FOLLOWING YEAR? WHICH OF THESE OPTIONS
24 TAKES CARE OF THAT?
25 MS. TRGOVCICH: THE LEGISLATIVE OPTION.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MEMBER JONES: WELL, BUT I DON'T
2 UNDERSTAND -- I MEAN, WHY DO WE NEED A -- DOES
3 THE LEGISLATION SAY GO BACK THREE YEARS?
4 MS. TRGOVCICH: IT DOESN'T SAY GO BACK
5 THREE YEARS. WHAT IT DOES SAY, THOUGH, IS THAT
6 THE CALCULATION IS FOR THE CALENDAR YEAR PRIOR.
7 50 YOU WILL ALWAYS BE EFFECTING A PRECEDING
8 CALENDAR YEAR WITH THE WAY THE STATUTE IS
9 CURRENTLY SET UP.
10 ONE OF THE CONCEPTS THAT JOHN
11 DISCUSSED WAS A MODIFICATION WHICH WOULD ALLOW
12 AN ALL-CONTAINER RATE TO BE CALCULATED WITH THE
13 RESULTS OF THAT CALCULATION AFFECTING THE YEAR
14 FORWARD. NOW, WHEN YOU START TALKING PLASTICS
15 LEGISLATION WHO KNOWS WHAT'S GOING TO HAPPEN
16 THERE. BUT THIS IS A RETROACTIVE PROGRAM, IT
17 IS SET UP TO LOOK AT THE PRIOR YEARS.
18 WE ARE BEHIND, WE ARE VERY BEHIND.
19 THE 1995 RATE WAS CALCULATED IN 1998, ONCE THE
20 WASTE CHARACTERIZATION STUDY WAS COMPLETED. WE
21 WILL HAVE AN OPPORTUNITY TO SPEED THINGS UP
22 ONCE OUR WASTE CHARACTERIZATION STUDY IS
23 COMPLETED AND WE COULD POTENTIALLY RUN SEVERAL
24 CALCULATIONS WITHIN A FEW MONTHS OF EACH OTHER.
25 BUT IT WILL ALWAYS BE FOR THE PRIOR YEARS.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MEMBER JONES: HOW DO WE PROACTIVELY --
2 AND I KNOW IT WOULD BE THROUGH YOUR WORKSHOPS
3 AND THINGS LIKE THAT, BUT I THINK IT NEEDS TO
4 BE A LITTLE MORE PERSONALIZED, OR A LITTLE MORE
5 -- I MEAN, WE'VE GOT TO BE ABLE TO LET PEOPLE
6 KNOW THAT IF THAT 25 PERCENT MARK HAD BEEN
7 REACHED IN CALIFORNIA THAT THAT WOULD HAVE PUT
8 THEM IN COMPLIANCE. AND BECAUSE IT WASN'T
9 THESE PIECES KICK IN.
10 YOU KNOW, WHEN WE HAD SEARS HERE
11 TALKING TO US THAT THEY WEREN'T SURE IF THEY
12 WERE A MANUFACTURER AND WE COULDN'T REALLY --
13 WELL, I THINK THAT'S STILL AN OPEN IS SUE, OR I
14 DON'T KNOW IF IT'S FULLY -- YOU KNOW, I KEPT
15 LOOKING IN THE PHONE BOOK TO SEE WHERE THEIR
16 MANUFACTURING PLANTS WERE.
17 BUT THEY--AND IT'S A PRETTY
18 HEAVY-DUTY ISSUE, I UNDERSTAND. BUT STILL, I
19 TOLD THEM THAT DAY -- I MEAN, IF 25 PERCENT HAD
20 BEEN RECOVERED AND PUT BACK INTO THE SYSTEM YOU
21 DON'T HAVE THIS IS SUE. THEY'RE THE 800-POUND
22 GORILLA THAT SHOULD BE SCREAMING FOR NEW
23 PLASTICS OPPORTUNITIES OUT THERE FOR POST
24 CONSUMER.
25 I THINK THAT WE NEED TO BE ABLE TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 FORMULATE AN OPTION THAT GETS THE 800-POUND THE
2 GORILLA, THE WHOLE SERIES OF 800-POUND GORILLAS
3 DOING EVERYTHING THEY CAN TO PUT PRESSURE ON
4 THAT WE DO RECOVERY AND WE GET POST-CONSUMER
5 PACKAGING SO THAT WE END UP WITH WHAT WE WANT,
6 WHICH IS A MARKET FOR PLASTICS, POST-CONSUMER
7 PLASTIC, AND NOT -- I MEAN, NOT SPENDING LOTS
8 AND LOTS OF TIME TRYING TO FIGURE OUT IF SOME
9 GUY IN BOISE, IDAHO, THAT SELLS SOMETHING TO
10 WALMART IS IN COMPLIANCE. IT DOESN'T MAKE ANY
11 SENSE TO ME.
12 SO I DON'T KNOW WHAT OPTIONS THERE
13 GET US TO THAT POINT. BUT IT WOULD SEEM TO ME
14 PROACTIVELY IN LETTING THE UNIVERSE KNOW, AND
15 BUT AT THE SAME TIME KEEPING PRESSURE ON FOR
16 THE RECOVERY SIDE TO DEVELOP MARKETS IS THE
17 ONLY WAY WE'RE GOING TO GET THROUGH THIS THING,
18 IN MY MIND.
19 CHAIRMAN PENNINGTON: OKAY. WHAT'S
20 YOUR PLEASURE, FOLKS?
21 MR. BEST: COULD I ASK --
22 MEMBER EATON: WE HAVE SOME PUBLIC
23 TESTIMONY.
24 CHAIRMAN PENNINGTON: I DON'T HAVE ANY
25 REQUESTS.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MEMBER EATON: WHILE MR. BEST IS COMING UP,
2 TOO, I THINK IT'S IMPORTANT TO NOTE THAT THIS
3 PROCESS WASN'T DONE IN A VACUUM. THERE'S A
4 CHRONOLOGY OF ITEMS THAT ARE ON PAGES 26-17 AND
5 -18, AND IN BETWEEN THE LINES THERE WERE
6 NUMEROUS TIMES -- IN FACT, I COULDN'T EVEN
7 BEGIN TO COUNT THE NUMBERS THAT STAFF MET WITH
8 INDUSTRY REPRESENTATIVES ABOUT THIS PROCESS.
9 SO THIS IS NOT LIKE SOMETHING WHERE THE STAFF
10 HAS JUST GONE AND DONE WHAT THEY HAD TO DO,
11 THERE WAS A LOT OF INDUSTRY INPUT.
12 AND THE QUESTIONS THAT WERE ASKED,
13 AND WHAT WAS NEEDED, AND SO ON AND SO FORTH,
14 IT'S NOT LIKE, YOU KNOW, THEY WEREN'T AWARE AND
15 COULDN'T GO BACK TO THEIR REPRESENTATIVE
16 COMPANIES. IN MANY CASES THEY HELD THE KEYS,
17 AND THOSE REALLY WHO WERE IN GOOD-FAITH CAME
18 FORWARD AND SAID, HERE, WE THINK THESE PEOPLE
19 DO THESE KINDS OF CONTAINERS AND THEY GAVE US
20 THEIR LISTS. THERE WERE OTHERS WHO WERE MORE
21 OR LESS HIDING THE BALL ON US. BUT AT NO POINT
22 DID THIS STAFF NOT COLLABORATE WITH THE
23 INDUSTRY OR OTHERS ON IT.
24 AND SO I THINK THAT THAT'S
25 IMPORTANT FOR THE RECORD, SO THAT IT'S NOT MADE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 TO BE KNOWN THAT THIS WAS JUST KIND OF LIKE
2 WHAT WE DID AND, THEREFORE, THE INDUSTRY DIDN'T
3 HAVE ANY KIND OF INPUT, BECAUSE THAT'S JUST NOT
4 ACCURATE.
5 CHAIRMAN PENNINGTON: MR. BEST.
6 MR. BEST: YES. RICK BEST WITH
7 CALIFORNIANS AGAINST WASTE, AND I WANT TO FIRST
8 ADDRESS A COUPLE OF BROADER IS SUES IN MY
9 OPENING COMMENTS.
10 AND THE FIRST IS WITH REGARDS TO
11 THE IS SUE OF, YOU KNOW, THE FACT THAT -- I
12 THINK AS THE STAFF INDICATED, SOME COMPANIES
13 FEELING LIKE THEY WEREN'T AWARE OF THE LAW, OR
14 THAT THE BOARD WAS PURSUING COMPLIANCE. I
15 MEAN, THIS LAW WAS CREATED WITH THE ASSISTANCE
16 OF THE PLASTICS -- MANY OF THOSE THAT ARE
17 REGULATED BY THIS WHEN IT WAS DRAFTED IN 1991.
18 THIS LAW HAS BEEN ON THE BOOKS FOR SEVEN YEARS
19 NOW, AND I THINK EVERYONE HAS HAD AMPLE
20 OPPORTUNITY TO KNOW THAT THIS LAW IS ON THE
21 BOOKS AND CAN BE ENFORCED.
22 50 I DON'T THINK IT'S AN
23 APPROPRIATE RESPONSE FOR THE BOARD TO SAY THAT
24 WE CAN'T ENFORCE THIS LAW BECAUSE CERTAIN
25 ENTITIES WEREN'T AWARE OF THE POTENTIAL

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 COMPLIANCE RESPONSIBILITIES UNDER THE LAW.
2 THE SECOND ISSUE IS JUST WITH
3 REGARDS -- I THINK THIS, THE CRAFTING OF THIS
4 LAW IS VERY -- ACTUALLY, MIRRORS IN A WAY WHAT
5 HAD BEEN DONE IN GERMANY, IN THE SENSE OF IN
6 GERMANY WHAT WAS ESTABLISHED WAS A BROAD ROLE,
7 ACHIEVE THESE CERTAIN RECOVERY RATES. BUT IF
8 YOU DON’T VERY DRASTIC MECHANISMS WILL COME
9 DOWN. YOU’LL HAVE TO TAKE PACKAGING BACK IN THE
10 STORE.
11 AND I THINK IN THE SAME MANNER THIS
12 IS A LAW THAT WAS CREATED THE SAME WAY. IT
13 PROVIDED A VERY FLEXIBLE APPROACH FOR THE
14 INDUSTRY TO MEET IN TERMS OF ACHIEVING THE 25
15 PERCENT RECYCLING RATE, AND THEN IF THEY FAIL
16 TO MEET THAT RATE THEN OTHER MECHANISMS THAT
17 ARE MUCH MORE SPECIFIC IN TERMS OF MINIMUM
18 CONTENT OR SOURCE REDUCTION WOULD GO INTO
19 PLACE.
20 SO I THINK, YOU KNOW, WE HAVE
21 CREATED A LAW THAT PROVIDED THE FLEXIBILITY TO
22 THE INDUSTRY. UNFORTUNATELY, THEY FAILED IN
23 MEETING THAT 25 PERCENT RECYCLING GOAL AND NOW
24 THE OUT COME IS THEY’RE GOING TO HAVE TO DEAL
25 WITH THE OTHER MECHANISMS OF THIS LAW.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 SO I THINK THE LAW WAS CREATED TO
2 RECOGNIZE AND PROVIDE THAT FLEXIBILITY TO THE
3 INDUSTRY. UNFORTUNATELY, BY FAILING TO MEET
4 THE RATE ‘96, YOU KNOW, THE BOARD IS
5 FORCED TO FOLLOW THROUGH IN ITS ENFORCEMENT OF
6 THE REMAINING PARTS OF THE LAW.
7 WITH THAT I WANT TO SPEAK TO THE
8 SPECIFIC RECOMMENDATIONS BY STAFF. AND I THINK
9 USING THE PHRASE OF ONE OF THE FORMER BOARD
10 CHAIRS, MR. HUFF, I THINK THIS IS DEFINITELY
11 HALF-BAKED, I THINK ON A NUMBER OF REASONS.
12 I THINK TO BEGIN WITH CLEARLY, AS
13 HAS BEEN INDICATED, THERE’S A NUMBER OF FOLKS
14 THAT HAVEN’T RESPONDED. I THINK IT WAS 136 OR
15 137 ACCORDING TO THE STAFF. I THINK ACCORDING
16 TO THE REPORT THAT WAS PUT TOGETHER BY THE
17 CONSULTANT, YOU KNOW, IT LOOKED -- THEY
18 ACTUALLY REPORTED I THINK 260 OR SO. SO
19 THERE’S QUITE A FEW THAT ARE OUT THERE THAT
20 STILL....
21 I THINK IT’S APPROPRIATE FOR THE
22 BOARD, BEFORE IT PROCEEDS AT ALL, NEEDS TO AT
23 LEAST TAKE A MONTH OR SO TO TRY AND GO THROUGH
24 THOSE AND GET AS MUCH RESPONSE AS YOU CAN
25 BEFORE EVALUATING WHERE YOU GO IN TERMS OF NEXT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 STEPS. I THINK YOU REALLY NEED TO HAVE A
2 COMPLETE PICTURE. AND HAVING LITERALLY ALMOST
3 50 PERCENT OF THE COMPANIES NOT RESPONDING OR
4 NOT HAVING INFORMATION, YOU REALLY NEED TO HAVE
5 A BETTER BASE TO MOVE FORWARD IN TERMS OF THE
6 ENFORCEMENT.
7 BUT I THINK THE SECOND REASON WHY I
8 THINK THIS IS NOT COMPLETE IS, FRANKLY, THE
9 ENTIRE ENFORCEMENT ASPECT HAS BEEN LEFT OUT.
10 AND I THINK THAT PLAYS TO SOME OF THE COMMENTS
11 THAT MR. RHOADS HAS MADE.
12 I MEAN, ACCORDING TO THE DATA THAT
13 HAS BEEN INDICATED, THERE IS KNOWLEDGE THAT
14 THERE'S NINE OUT OF THE 54 THAT HAVE RESPONDED
15 WHERE THERE WASN'T COMPLIANCE. AND I THINK THE
16 BOARD HAS NOW SPECIFIC COMPANIES THAT ARE
17 BEFORE IT THAT HAVE FAILED TO COMPLY WITH THIS
18 LAW. AND I DON'T THINK THERE IS ANY REASON WHY
19 THE BOARD CAN'T MOVE FORWARD IN TERMS OF WHAT'S
20 THE CLOSURE, WHAT'S THE NEXT STEPS IN ENFORCING
21 THIS LAW. SO I THINK THAT'S DEFINITELY
22 SOMETHING THAT NEEDS TO BE INCORPORATED.
23 AND WE WANT TO SEE, AS WE HAD
24 YESTERDAY IN THE DISCUSSION OVER LOCAL
25 GOVERNMENT ENFORCEMENT, WE WANT TO SEEK

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CLOSURE ON THIS. YOU KNOW, THE BOARD HAS MADE ITS
2 STATEMENT AND PURSUED ENFORCEMENT AGAINST
3 LOCAL GOVERNMENTS. I THINK THE BOARD CLEARLY HAS
4 AT LEAST NINE OR SO COMPANIES WHERE THERE IS
5 EVIDENCE THAT THEY HAVEN'T COMPLIED WITH THE
6 LAW.
7 NOW, WHAT THOSE -- WHAT THE BOARD'S
8 ENFORCEMENT ULTIMATELY WILL BE, WHAT PENALTIES,
9 OR WHAT KIND OF COOPERATIVE ARRANGEMENTS WILL
10 BE, I THINK THAT'S TO BE DETERMINED. BUT I
11 THINK THE BOARD HAS TO PURSUE EVIDENCE OF
12 EXAMPLES WHERE THERE ARE COMPANIES THAT HAVE
13 FAILED TO COMPLY WITH THE LAW.
14 SO, WITH THAT, I THINK THAT'S OUR
15 PRIMARILY OBJECTION TO THIS, IS THAT THERE IS
16 NO CLARITY IN TERM OF WHAT ENFORCEMENT WILL BE.
17 AND WE WANT TO SEE THE BOARD FOLLOW THROUGH IN
18 THAT RESPONSIBILITY. THANK YOU.
19 CHAIRMAN PENNINGTON: QUESTIONS OF MR.
20 BEST? THANK YOU.
21 MR. CHANDLER: WELL, MR. CHAIRMAN, IF
22 THERE ISN'T ANY MORE COMMENTS FROM THE PUBLIC I
23 WOULD OFFER ONE -- OH, I BEG YOUR PARDON.
24 MR. HASTINGS: AND I HADN'T PUT IN A
25 CARD YET, JUST BASED ON THE COMMENTS THAT HAD

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 COME UP I THOUGHT IT WOULD BE APPROPRIATE --

2 CHAIRMAN PENNINGTON: GO AHEAD, LANCE.

3 MR. HASTINGS: THANK YOU, MR. CHAIRMAN

4 AND MEMBERS, I APPRECIATE THE OPPORTUNITY.

5 WE HAVE BEEN PARTICIPATING WITH YOUR STAFF ON

6 NOT ONLY THE COMPLIANCE PROCESS, BUT ALSO

7 LOOKING FORWARD TO SOME OF THE FUTURE RECYCLING

8 RATES. AND WE ARE INTENDING TO OBSERVE --

9 CHAIRMAN PENNINGTON: YOU NEED TO

10 IDENTIFY YOURSELF.

11 MR. HASTINGS: LANCE HASTINGS, THE

12 GROCERY MANUFACTURERS OF AMERICA.

13 CHAIRMAN PENNINGTON: THANK YOU.

14 MR. HASTINGS: THANK YOU, MR. CHAIRMAN.

15 WE HAVE BEEN WORKING WITH YOUR

16 STAFF ON THIS ISSUE, LOOKING BACK AT 1996

17 COMPLIANCE, AND IT MAY BE USEFUL TO REITERATE

18 SOME OF OUR CONCERNS THAT WE BROUGHT TO THE

19 TABLE BACK IN JANUARY, WHEN WE HAD FOUND OUT

20 THAT THE ALL-STATE RECYCLING RATE WAS LESS THAN

21 25 PERCENT.

22 THE PROPRIETARY INFORMATION OF OUR

23 MEMBER COMPANIES IS SIGNIFICANT, BECAUSE OF THE

24 MARKET SHARE THAT MANY OF OUR COMPANIES HOLD.

25 AND I DON’T KNOW IF IT CAME OUT TODAY IN THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 PRESENTATION BY MR. NUFFER, BUT OF THE
2 COMPANIES THAT DID RESPOND AND THAT ARE IN
3 COMPLIANCE THEY TENDED TO BE THE LARGER
4 COMPANIES.
5 AND WE’RE CONFIDENT THAT THOSE
6 LARGER COMPANIES HAPPEN TO BE MEMBERS OF OUR
7 ASSOCIATION, AS WELL AS MR. POLLACK, WHO I
8 THINK WILL BE SPEAKING AFTER US -- THAT THE BIG
9 COMPANIES HAVE ACCEPTED THEIR RESPONSIBILITIES
10 AND HAVE DEMONSTRATED COMPLIANCE.
11 FOR THOSE THAT HAVE NOT OR
12 APPARENTLY HAVE NOT DEMONSTRATED COMPLIANCE,
13 THOSE EIGHT COMPANIES, IT’S DIFFICULT FOR US
14 BECAUSE WE RAISED THE ISSUE IN JANUARY THAT
15 WE’VE SELECTED 500 OR LESS COMPANIES IN THIS
16 STATE TO BE REPRESENTATIVE OF THE ENTIRE STATE,
17 AND EVERYBODY WHO DOES BUSINESS OR SELLS AN
18 RPPC IN THIS STATE.
19 THERE ARE OFFSHORE COMPANIES THAT
20 EXPORT TO OUR COUNTRY THAT HAPPEN TO USE
21 PLASTIC ITEMS, AND I CAN ASSURE YOU THEY
22 PROBABLY DON’T KNOW THAT THERE’S THIS LAW ON
23 THE BOOKS IN CALIFORNIA WHEN THEY WERE
24 DEVELOPING THEIR PRODUCT LINE.
25 THE COMPANIES THAT DO BUSINESS IN

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CALIFORNIA OR ARE BASED IN CALIFORNIA HAVE A
2 MUCH BETTER IDEA THAN THOSE THAT ARE
3 HEADQUARTERED OUTSIDE OF CALIFORNIA BUT DO A
4 GREAT DEAL OF BUSINESS IN CALIFORNIA, LIKE OUR
5 MEMBER COMPANIES DO, ARE AWARE OF THE LAW AND
6 THEY HAVE, IN FACT, DEMONSTRATED THEIR
7 COMPLIANCE.
8 THE OTHER IS SUE THAT WE CAME
9 ACROSS, NOT EXPECTING TO HAVE TO DEMONSTRATE
10 COMPLIANCE THIS YEAR WHEN THE RATE FELL BELOW
11 25 PERCENT, IS YOU CANNOT CROSS-POLLINATE ANY
12 OF THE COMPLIANCE OPTIONS.
13 ONE OF THE CONTAINERS THAT WAS
14 RAISED UP WAS SOURCE-REDUCED. THAT CONTAINER
15 PROBABLY ALSO CONTAINS A MINIMUM POSTCONSUMER
16 CONTENT RESIN. YOU CANNOT COMPARE BOTH THOSE,
17 THERE’S NO FACTOR TO ALLOW FOR THAT. AND THE
18 LEGISLATION LIMITS YOUR ABILITY TO DO THAT.
19 IF THERE IS A RECOMMENDED CHANGE
20 THAT IS COMING OUT OF THIS, IT’S FAIRLY OBVIOUS
21 THAT MOST OF THOSE CONTAINERS UP THERE HAVE
22 BEEN EITHER -- THEY’RE CONTENTS CONCENTRATED,
23 THE SOURCE HAS BEEN REDUCED, AND THEY’RE USING
24 PCR, BUT YOU CAN’T CROSS-POLLINATE. AND THAT’S
25 SOMETHING THAT WE’RE GOING TO SERIOUSLY TAKE A

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 LOOK AT IF, IN FACT, THERE ARE GOING TO BE
2 FUTURE YEARS WHERE COMPLIANCE IS REQUIRED.
3 THE OTHER IS THE UNIVERSE. IT'S
4 GOING TO BE VERY DIFFICULT TO ENFORCE AGAINST -
5 - WE'LL USE THE EIGHT COMPANIES NOW, I WON'T
6 STIPULATE THAT THEY'RE NOT IN COMPLIANCE
7 BECAUSE WE HAVEN'T SEEN THE DATA -- BUT IF
8 THERE'S EIGHT COMPANIES OUT OF 500 THAT MAY NOT
9 BE IN COMPLIANCE AND YOU HAVE A DUTY, AS MR.
10 BEST WOULD INDICATE, TO GO AFTER THOSE EIGHT TO
11 ENFORCE, WHAT ABOUT THE 50,000 OR 100,000 OTHER
12 COMPANIES THAT ARE OR ARE NOT IN COMPLIANCE,
13 BECAUSE YOU DON'T KNOW? YOU'RE SINGLING OUT
14 EIGHT COMPANIES FOR ENFORCEMENT, AND THAT IS A
15 SIGNIFICANT PROBLEM.
16 PARTICULARLY FOR THOSE EIGHT
17 COMPANIES, BUT FOR THE INDUSTRY AS A WHOLE WHEN
18 THE RATE HAS FALLEN BELOW. THERE'S A
19 DISCONNECT BETWEEN THE ALL-STATE CONTAINER RATE
20 AND THEN THE COMPLIANCE, BECAUSE IT'S NOT AN
21 ALL-COMPANY COMPLIANCE BUT IT IS AN ALL-STATE
22 RECYCLING RATE.
23 AND WE DISCOVERED THAT THROUGH THE
24 YEAR, THAT'S NOT SOMETHING THAT WE ALL KNEW IN
25 JANUARY, THAT HERE ARE GOING TO BE THE PROBLEMS

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 OF THE COMPLIANCE PROCESS AND I COULD TELL YOU
2 WHAT THOSE WERE GOING TO BE 12 MONTHS AGO,
3 BECAUSE WE DIDN'T KNOW WHAT THEY WERE.
4 AND THE SINGLE BIGGEST ISSUE IS THE
5 TIME FACTOR, WE'RE LOOKING AT A 1996 RATE FOR
6 COMPLIANCE IN 1999. AND WHILE COME COMPANIES,
7 PARTICULARLY THE SMALLER ONES, ARE MAKING THEIR
8 PACKAGING DECISIONS FOR 1999, I CAN TELL YOU
9 THE LARGER COMPANIES ARE MAKING THEIR PACKAGING
10 DECISIONS FOR THE YEAR 2000, 2001, 2002.
11 BUT WHAT WE'VE ALSO FOUND OUT IS
12 THOSE LARGER COMPANIES ARE IN COMPLIANCE. AND
13 IN SOME CASES IT'S COME THROUGH OUR WORKING
14 GROUPS THAT NOT ONLY ARE THEY USING 25 PERCENT
15 PCR, IN MANY CASES THEY'RE USING 28 PERCENT
16 PCR. AND IF THEY SOURCE-REDUCED THEIR PRODUCT
17 IT HASN'T BEEN JUST 10 PERCENT, IT'S BEEN 11
18 PERCENT OR A LITTLE BIT MORE.
19 AND THOSE ARE THE TYPE OF THINGS
20 THAT WE HAVE BEEN PROMOTING, AND WE'RE
21 SENSITIVE TO THE LAW AND THE NEEDS OF THE
22 BOARD. BUT WE DON'T WANT TO GET LOST AND START
23 AN ENFORCEMENT ACTION ON SOMETHING THAT IS TWO
24 YEAR'S OLD AND THAT WE'RE NOT ENTIRELY SURE.
25 AND MR. EATON, ONE OF THE HAMMERS

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THAT WAS MENTIONED BACK IN FEBRUARY, MARCH, AND
2 APRIL AS WE WERE DEVELOPING THE COMPLIANCE
3 PROCESS WAS THAT STATEMENT OF PERJURY, THAT TO
4 THE BEST OF MY KNOWLEDGE THIS IS ACCURATE. AND
5 WE RECOGNIZED AT THAT TIME THAT IT DOESN'T
6 GUARANTEE THE ACCURACY OF THE INFORMATION, BUT
7 IT CERTAINLY HELPS THAT INFORMATION. AND WHEN
8 OUR MEMBER COMPANIES RECEIVED THE COMPLIANCE
9 THEY TOOK IT VERY SERIOUSLY AND REPORTED THE
10 DATA TO THE BEST OF THEIR ABILITY, UNDER THE
11 PENALTY OF PERJURY.
12 THAT MAY NOT ANSWER YOUR QUESTION,
13 BUT IT HOPEFULLY ADDRESSES IT IN SOME WAY.
14 CHAIRMAN PENNINGTON: VERY GOOD. ANY
15 QUESTIONS OF MR. HASTINGS? MR. RHOADS?
16 MEMBER RHOADS: I'M REALLY SYMPATHETIC
17 WITH THE YEAR PROBLEM, AND I BELIEVE YOU'RE
18 RIGHT IN THAT YOUR COMPANIES WOULD BE PREPARING
19 FOR THE YEAR 2000, THE YEAR 2002, AND SO FORTH.
20 BUT THE DILEMMA THAT WE HAVE, YOU
21 KNOW, FROM A REGULATORY AGENCY -- I MEAN, WE
22 KNOW OF THESE COMPANIES THAT MIGHT BE OUT OF
23 COMPLIANCE AND IT'S A LITTLE HARD FOR US JUST
24 TO IGNORE THAT FACT.
25 I MEAN, IF YOU WERE IN OUR SHOES

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WHAT WOULD YOU DO?

2 MR. HASTINGS: WELL, THERE ARE SOME

3 OTHER STATES AND, IN FACT, I EVEN THINK IN THE

4 WESTERN REGION, THAT HAVE A SIMILAR TYPE OF

5 PLASTIC REQUIREMENT, THAT THEY CERTIFY A RATE

6 AND THEN THEY HAVE THEIR EFFORTS AND COMPLIANCE

7 PROSPECTIVE.

8 FOR EXAMPLE, IN 1998 YOU'D CERTIFY

9 A RATE BY JANUARY 30TH, 1999. I KNOW THAT'S

10 PROBABLY NOT POSSIBLE TO DO A RATE IN 30 DAYS.

11 AND THEN YOU HAVE 11 MORE MONTHS FOR COMPANIES

12 TO KNOW YOU'RE NOT IN COMPLIANCE WITH THE

13 STATEWIDE AVERAGE BASED ON 1998, YOU'VE GOT 11

14 MONTHS TO BRING YOURSELF INTO COMPLIANCE.

15 RATHER THAN HERE, 1996, IT'S TWO

16 YEARS LATER, COOK THE BOOKS TO PROVE THAT

17 YOU'RE IN COMPLIANCE. I MEAN, THERE'S A

18 DISINCENTIVE TO ACTUALLY BE IN COMPLIANCE, FOR

19 THOSE AT LEAST THAT AREN'T. AND MAYBE IT'S A

20 DIFFERENT WAY OF LOOKING AT IT.

21 BUT A LOT OF FOLKS, MAYBE THE BOARD

22 INCLUDED, RELIED UPON A 25 PERCENT ALL-STATE

23 CONTAINER -- OR ALL-CONTAINER RECYCLING RATE SO

24 WE WOULDN'T HAVE TO BE HERE RIGHT NOW. AND

25 SOME FOLKS IN OUR INDUSTRY THINK THAT THE RATE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CERTIFICATION AMOUNT IS UNDER SOME TYPE OF
2 DISCREPANCY FOR 1996. IT WAS BEFORE MY TIME
3 AND I CAN'T PUT ME IN THAT CATEGORY, BUT I CAN
4 CERTAINLY PUT SOME OF THE PEOPLE I WORK WITH
5 AND OUR MEMBER COMPANIES IN THAT CATEGORY.
6 THAT'S WHY WE ARE WORKING VERY
7 CLOSELY WITH THE BOARD IN THE CERTIFICATION OF
8 THE 1997 RATE, AS WELL AS THE 1998 RATE. AND
9 WE SIT ON THE ADVISORY GROUP FOR THE WASTE
10 CHARACTERIZATION STUDY BECAUSE WE ARE CONFIDENT
11 THAT THERE IS ENOUGH PLASTIC RECYCLING GOING ON
12 IN THIS STATE TO MEET THOSE MINIMUM FLOORS.
13 THAT'S OUR PART OF THE BARGAIN.
14 THE OTHER PART FOR THE BOARD WOULD
15 BE, IS THE TIME GAP SUFFICIENT TO CREATE A
16 PROBLEM FOR YOU TO EITHER DETERMINE COMPLIANCE
17 AND/OR ENFORCEMENT. I WOULD SAY THAT IT DOES,
18 BECAUSE IT IS A PROBLEM FOR OUR MEMBER
19 COMPANIES. IT'S GOING TO BE VERY DIFFICULT TO
20 GO BACK THROUGH 1996 AND VERIFY IT.
21 AND PARTICULARLY WITH THE CONTAINER
22 MANUFACTURERS, THERE ARE A WHOLE HOST OF ISSUES
23 THAT CAME UP THIS YEAR ABOUT THE CONTAINER
24 MANUFACTURERS BEING ABLE TO PROVIDE US WITH
25 DATA THAT WE COULD SIGN UNDER A PENALTY OF

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 PERJURY WE ARE IN COMPLIANCE BASED ON WHAT WE
2 GAVE, THE WORK ORDER OR THE INVOICE, TO THE
3 CONTAINER MANUFACTURER.
4 BECAUSE IT CAME OUT YOU CANNOT LOOK
5 UNDER A MICROSCOPE AT A PLASTIC CONTAINER AND
6 TELL IF THERE'S MINIMUM CONTENT, VIRGIN
7 PLASTIC, YOU CAN'T TELL. SCIENTIFICALLY
8 IMPOSSIBLE TO TELL.
9 AND, I MEAN, THOSE ARE SOME OF THE
10 LIMITATIONS THAT WE FACE. WELL-INTENTIONED.
11 BUT THESE PRODUCTS THAT ARE ON THIS TABLE I
12 THINK DEMONSTRATE THERE'S A WHOLE LOT OF
13 RECYCLING GOING ON IN THE STATE, AND A WHOLE
14 LOT OF SOURCE REDUCTION GOING ON IN THE STATE.
15 AND IT'S JUST TESTIMONY, I'M GLAD THEY BROUGHT
16 THIS FORWARD.
17 CHAIRMAN PENNINGTON: OKAY.
18 MEMBER JONES: MR. CHAIRMAN?
19 CHAIRMAN PENNINGTON: MR. JONES.
20 MEMBER JONES: THAT'S A VERY
21 ENCOURAGING STATEMENT, THOUGH, THAT YOU LOOK
22 UNDER A MICROSCOPE AND YOU CAN'T TELL IF IT'S
23 GOT POSTCONSUMER OR NOT IN IT IS A SIGNIFICANT
24 STATEMENT.
25 BECAUSE IN DISCUSSIONS, ESPECIALLY

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WHEN OUR RMDZ FOLKS ARE OUT AT FAIRS TRYING TO
2 ENCOURAGE MANUFACTURERS TO -- THAT WE HAVE LOW-
3 COST LOANS THAT COULD BE USED IF THEY WERE TO
4 INCLUDE RECOVERED MATERIALS IN THEIR
5 MANUFACTURING, THEY RESPOND THAT, NO, WE CAN'T
6 USE THAT STUFF, IT WON'T WORK, IT'S NO GOOD.
7 SO, I MEAN, PART OF THE PROCESS IS
8 MAKING PEOPLE AWARE THAT STATEMENTS -- YOU
9 KNOW, I MEAN, THINGS LIKE THAT, YOU LOOK UNDER
10 A MICROSCOPE, YOU CAN'T TELL, IT IS THE SAME
11 PRODUCT.
12 MR. HASTINGS: THE FINISHED PRODUCT.
13 MEMBER JONES: NOW, I UNDERSTAND. I
14 UNDERSTAND THAT --
15 MR. HASTINGS: GETTING IT TO THE MOLD
16 STAGE IS THE HARD PART.
17 MEMBER JONES: -- AND ALL THAT STUFF I
18 UNDERSTAND. I UNDERSTAND THAT PART.
19 BUT, YOU KNOW, WHAT I'M SAYING?
20 THAT'S A HUGE LEAP, TO EVEN GET PEOPLE TO MAKE
21 THOSE KIND OF COMMENTS. BECAUSE WE'RE FIGHTING
22 THIS BATTLE, I FEEL, THAT -- OF MISINFORMATION
23 THAT SAYS THIS IS AN INFERIOR FEED STOCK. AND
24 THAT'S PART OF THE REASON THAT WE DON'T HAVE
25 MORE RECYCLED CONTENT I THINK, PERSONALLY, IN

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 PRODUCTS.

2 SO I'M ENCOURAGED BY THAT

3 STATEMENT, LANCE. BECAUSE I THINK THAT --

4 MR. HASTINGS: I DID SOMETHING WRONG,

5 I'M SORRY.

6 MEMBER JONES: -- NO, YOU DID SOMETHING

7 RIGHT.

8 MR. HASTINGS: THANK YOU FOR THE

9 OPPORTUNITY. WE -- BECAUSE OUR COMMENTS

10 WEREN'T INTENDED TO BE MADE TODAY, BUT BECAUSE

11 OF THE DISCUSSION I THOUGHT IT WOULD BE

12 APPROPRIATE. THANK YOU.

13 CHAIRMAN PENNINGTON: THANK YOU.

14 RANDY, DID YOU...?

15 MR. POLLACK: MR. CHAIRMAN, RANDY

16 POLLACK ON BEHALF OF THE SOAP AND DETERGENT

17 ASSOCIATION. I JUST WANT TO MAKE A COUPLE

18 QUICK POINTS HERE.

19 FIRST OF ALL, MR. EATON EARLIER

20 INDICATED THAT IGNORANCE OF THE LAW IS NO

21 EXCUSE. I FULLY AGREE WITH THAT POINT.

22 BUT I THINK WE HAVE TO LOOK BACK AT

23 WHY WAS THIS LAW CREATED. IT WAS TO HELP

24 RECYCLE PLASTIC AND TO KEEP THAT GOING. AND I

25 THINK WE ALSO HAVE TO LOOK AT THAT ASPECT. I

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 DON’T THINK IT’S -- ANYBODY’S ENVISIONED HERE
2 THAT ALL WE NEED TO DO -- OKAY, IF YOU’VE DONE
3 SOMETHING WRONG, WE’RE GOING TO GO OUT AND
4 WE’RE GOING TO FINE YOU, WE’RE GOING TO DO
5 THIS.
6 I THINK WHAT WE HAVE FOUND HERE
7 FROM WHEN THE BOARD HAS BEGUN THIS PROCESS,
8 FROM ALMOST GROUND ZERO OF IDENTIFYING
9 COMPANIES, THAT THIS IS A NEW PROCESS. THIS IS
10 THE FIRST TIME THAT THESE REGULATIONS HAVE BEEN
11 IMPLEMENTED. AND SO I THINK WHAT WE HAVE
12 STARTED HERE IS A GOOD PROCESS.
13 YOU ARE RIGHT, THE INFORMATION THAT
14 WE HAVE RECEIVED IS NOT COMPLETE. IT WAS VERY
15 DIFFICULT TO IDENTIFY WHAT COMPANIES. OUR
16 ASSOCIATION PROVIDED NAMES BECAUSE THE BOARD
17 WAS LOOKING TO DIFFERENT AREAS TO WHERE THEY
18 COULD OBTAIN COMPANY INFORMATION. AND WE HAVE
19 BEEN PARTICIPATING IN THIS PROCESS ALL THE WAY
20 ALONG. MR. BEST ALSO PARTICIPATED IN SOME OF
21 THE MEETINGS.
22 WE THINK THAT THIS IS A GOOD STEP
23 FORWARD, THAT WE ARE WILLING TO WORK WITH THE
24 BOARD, AND LOOK FORWARD TO WORKING WITH THE
25 BOARD IN HOW TO GET OUT THAT INFORMATION TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

MORE PEOPLE.

I THINK THAT WHAT YOU'LL PROBABLY FIND IN A LOT OF THE SURVEYS THAT HAVEN'T BEEN RETURNED, THESE ARE PROBABLY VERY SMALL COMPANIES THAT ARE OUT THERE. AND THEN, OF COURSE, WE ALSO KNOW, WELL, THERE ARE LARGE COMPANIES OUT THERE THAT ARE BASED -- WELL, NOT WITHIN CALIFORNIA WHO ARE NOT AWARE OF THIS. AND SO I THINK ONE OF THE IMPORTANT THINGS IS THE EDUCATION. WHAT IS CONTAINED IN THE RESOLUTION THAT HAS BEEN PRESENTED TO THE BOARD I THINK IS A VERY GOOD STEP, AND THAT WE WOULD FULLY SUPPORT THAT. AND THAT'S ALL I HAVE TO SAY.

CHAIRMAN PENNINGTON: ANY QUESTIONS OF MR. POLLACK? OKAY, THANK YOU.

MR. CHANDLER, YOU...?

MR. CHANDLER: WELL, I WAS JUST GOING TO SUGGEST, IF THERE'S NO FURTHER DISCUSSION, THAT IT SEEMS TO ME WHAT WE'VE HEARD TODAY, AND SOME OF COMMENTARY THAT WE'VE HEARD FROM THE DAISES, THAT I WOULD LIKE TO SEE THAT WE HAVE A LITTLE BIT MORE TIME TO WORK ON THIS. I'D LIKE TO BRING IT BACK POSSIBLY ON THE 27TH OF NEXT MONTH, OR INTO FEBRUARY IF NECESSARY, WHERE WE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CAN COME BACK WITH A LITTLE BIT MORE SPECIFICS.

2 I THINK CLEARLY WE HAVE TO ADDRESS

3 WHAT WE WANT TO DO WITH THOSE MANUFACTURERS

4 THAT WE HAVE IDENTIFIED THAT ARE OUT OF

5 COMPLIANCE. AND I THINK IT'S SOMEWHAT SPOKEN

6 TO IN OPTION 2, BUT I HEAR THAT PERHAPS MORE

7 AKIN TO WHAT WE DID YESTERDAY, WE WANT TO PUT

8 FORWARD A COMPLIANCE PLAN THAT WE EXPECT THEM

9 TO BE FOLLOWING.

10 AND THAT IF THAT PLAN - - I THINK

11 MR. JONES WAS ENCOURAGING US YESTERDAY IN THAT

12 RESOLUTION -- WOULD ALSO INCLUDE THAT IF YOU

13 FAIL TO FULFILL THAT COMPLIANCE PLAN THERE IS A

14 VERY CLEAR STATEMENT THAT MAKES IT CLEAR THAT

15 THERE WILL BE ENFORCEMENT ACTION TAKEN, WHETHER

16 THAT BE FINES OR PENALTIES, OR THE LIKE THAT'S

17 ALLOWED BY LAW.

18 THE SECOND, WE HAVE THIS WHOLE

19 GROUP OF MANUFACTURERS WHO SIMPLY HAVE NOT

20 RESPONDED AT ALL. AND I THINK WE NEED TO COME

21 FORWARD WITH A MECHANISM THAT WOULD IDENTIFY

22 JUST HOW WE ARE GOING TO ADDRESS THAT.

23 AND I THINK THAT MAY INVOLVE

24 GETTING A -- AS COUNSEL SUGGESTED, MAYBE A

25 LETTER TO THOSE INDIVIDUALS, THAT IF THEY

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 HAVEN'T RESPONDED IN 30 DAYS THEN WE'LL ASSUME
2 THEM TO BE PART OF THE PROGRAM AND PURSUE SOME
3 APPROPRIATE FOLLOW-UP ACTION, OR THAT THEY
4 PROVIDE EVIDENCE WITHIN THAT 30-DAY PERIOD THAT
5 THEY ARE EITHER NOT COVERED BY THE PROGRAM OR
6 HAVE COMPLIED.
7 SO GIVEN THE DIRECTION THAT AT
8 LEAST THOSE MEMBERS WHO HAVE SPOKEN TO THIS
9 ISSUE TODAY, I THINK WE NEED A LITTLE BIT MORE
10 TIME IN THOSE AREAS.
11 CHAIRMAN PENNINGTON: OKAY.
12 KATHRYN TOBIAS: AND THAT MIGHT INCLUDE,
13 IN TERMS OF THE ONES THAT HAVE NOT RESPONDED,
14 EITHER THE THREAT OF AN AUDIT OR THE THREAT OF
15 A FINE, AND I THINK THAT'S SOMETHING WE'LL SEEK
16 DIRECTION FROM THE BOARD, IN TERMS OF THE
17 DISCUSSIONS ON, YOU KNOW, WHAT'S THE BEST WAY
18 TO GET, I THINK, WHAT WE ULTIMATELY WANT, WHICH
19 IS COMPLIANCE WITH THE LAW.
20 MEMBER RHOADS: YEAH, I
21 COULD -- I THINK THOSE ARE ALL GOOD POINTS, AND
22 I THINK YOU COULD PROBABLY INCLUDE THEM IN
23 OPTION 1 AND 2, WITH MORE ELABORATION AND MORE
24 OPTIONS.
25 CHAIRMAN PENNINGTON: OKAY. IF THERE'S

Please note: These transcripts are not individually approved and reviewed for accuracy.

NO OBJECTIONS, THEN WE'LL ASK THE STAFF TO BRING THIS ITEM BACK ON THE 27TH OF JANUARY, OR A FUTURE DATE. THEY'LL LET US KNOW. AT LEAST REPORT BACK TO US ON PROGRESS ON THE 27TH. OKAY?

OKAY. LET'S BREAK FOR LUNCH. IT'S 12:30. CAN WE BE BACK BY 2:00?

(OFF THE RECORD FOR LUNCH)

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CHAIRMAN PENNINGTON: OKAY, WE'LL COME
2 BACK TO ORDER HERE. AND--YES, SENATOR?
3 MEMBER ROBERTI: AT THE RISK OF
4 SOUNDING IMPUDENT, BEING THIS IS ONLY MY SECOND
5 MEETING -- BUT I THOUGHT THE BOARD I CAME FROM
6 SPOKE IN ACRONYMS TO THE POINT OF TOTAL
7 DISTRACTION. BUT I THINK WE'RE GOING TO WIN
8 THE CAKE HERE. AND I SAY THIS AS SORT OF
9 HUMOROUS, AND IT IS, BUT I THINK IT MORE THAN
10 THAT.
11 WE HAVE A NATURAL CONSTITUENCY IN
12 THE WORLD WHO ARE REV'D UP ON OUR ISSUE, AND
13 THAT IS CONSERVATION AND THE PROPER DISPOSAL OF
14 SOLID WASTE, AND WE SHOULD MAKE EVERY ATTEMPT -
15 - I'M SOUNDING VERY IMPUDENT, I'M SURE YOU'VE
16 NEVER HEARD THIS BEFORE -- WE SHOULD MAKE EVERY
17 ATTEMPT TO SPEAK ENGLISH IN ORDER THAT IF A
18 HIGH SCHOOL CLASS COMES IN HERE OR THE PUBLIC
19 THEY'LL BE MOTIVATED TO TAKE OUR MESSAGE WITH
20 THEM. AND IT TAKES A LONG TIME FOR ALL OF US,
21 MYSELF INCLUDED, BECAUSE, I MEAN, I'M THE
22 GRADUATE OF LEGISLATIVESE, AND HAD ITS OWN
23 LANGUAGE, ABS, SUBPOENAS, THOSE ARE THE EASY
24 ONES.
25 AND I JUST THINK THAT BOTH STAFF

Please note: These transcripts are not individually approved and reviewed for accuracy.

AND THE MEMBERS, WE SHOULD JUST SORT OF GRADUALLY WEAN OURSELVES FROM THE ACRONYMS. IF WE LOOK AT WHAT THE TITLE ARE, I MEAN, THEY ARE DIFFICULT ENOUGH TO UNDERSTAND IN ENGLISH. AND THEN WE PUT AN ACRONYM ON THEM WHICH REALLY MAKES IT, I MEAN, BEYOND BELIEF IMPOSSIBLE TO UNDERSTAND. AND WE DIVORCE OURSELVES FROM OUR CONSTITUENCY, WHICH IS READY AND RARING TO GO. SO, JUST A THOUGHT. BUT JUST TO LET YOU KNOW WHERE MY MIND IS ON THIS, AND I'M NOT TRYING TO BE—CENSURE ANYBODY BECAUSE--BUT THERE JUST COMES A POINT WHERE NOBODY UNDERSTANDS WHAT WE'RE TALKING ABOUT. AND STARTING WITH THE PUBLIC. AND THE PUNCH THAT WE WANT TO OUR WORDS, TO GET THE GOSPEL OUT THERE, IS GOING TO BE LOST WHEN WE TALK ABOUT--WHAT WAS IT RZMD? I THINK THAT WAS MY FAVORITE ONE.

CHAIRMAN PENNINGTON: RMDZ.

MEMBER ROBERTI: AND SO, WHATEVER, I'M GOING TO MAKE MY OWN LITTLE MODEST ATTEMPT NOT TO SPEAK IN ACRONYMS.

CHAIRMAN PENNINGTON: I THINK YOU MAKE A VERY VALID POINT. AND THAT'S WHY I STILL DON'T KNOW WHAT'S GOING ON, BECAUSE.... OKAY.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WELL, I APPRECIATE YOUR --

2 MEMBER ROBERTI: -- JUST DROP FROM

3 HERE AND YOU CAN TAKE IT FOR WHAT IT'S WORTH.

4 CHAIRMAN PENNINGTON: OKAY. I GUESS I

5 BETTER ASK IF THERE'S ANY EX PARTES THAT -- MR.

6 EATON.

7 MEMBER EATON: YES. I HAD A

8 CONVERSATION WITH RICK BEST REGARDING BOARD

9 POLICY AFTER THE MEETING WITH REGARD TO

10 PLASTICS.

11 CHAIRMAN PENNINGTON: OKAY. THANK YOU.

12 MR. JONES?

13 MEMBER JONES: WITH MR. SWEETSER AND

14 MR. EVAN EDGAR ABOUT THE 21ST CENTURY AND AB

15 939.

16 AND I WILL TELL YOU, SENATOR, I'VE

17 BEEN IN THIS BUSINESS FOR 26 YEARS, I AM GUILTY

18 OF USING THOSE. BUT LARRY SWEETSER CAN TELL

19 YOU WHEN HE CAME INTO MY OFFICE FOR MANY, MANY

20 YEARS, TELLING ME THESE PROGRAMS, I STOPPED HIM

21 CONTINUALLY AND SAID I DON'T KNOW WHAT THAT

22 MEANS. SO I AGREE WITH YOU 100 PERCENT.

23 MEMBER ROBERTI: WELL, I PLEAD GUILTY,

24 THE MOST GUILTY IN MY PRIOR LIFE ESPECIALLY.

25 CHAIRMAN PENNINGTON: MR. FRAZEE?

Please note: These transcripts are not individually approved and reviewed for accuracy.

MEMBER FRAZEE: NONE FOR ME.

CHAIRMAN PENNINGTON: MR. RHOADS?

MEMBER RHOADS: YES. I HAD A CONVERSATION WITH GEORGE LARSON ABOUT THE PLASTIC ISSUE.

CHAIRMAN PENNINGTON: VERY GOOD. SENATOR ROBERTI?

MEMBER ROBERTI: NO EXPARTES TO REPORT.

CHAIRMAN PENNINGTON: OKAY. THANK YOU. NOR DOES THE CHAIR, OTHER THAN I SAID HELLO TO GEORGE LARSON, BUT DIDN’T DISCUSS ANYTHING, SO.

OKAY. WE’LL MOVE ON TO ITEM 27, PUBLIC HEARING ON PROPOSED REGULATIONS FOR THE FARM AND RANCH SOLID WASTE CLEANUP AND ABATEMENT GRANT PROGRAM AND CONSIDERATION OF STAFF RECOMMENDATIONS FOR REVISIONS, AND APPROVAL TO NOTICE A 15-DAY COMMENT PERIOD. I HAVE TO POINT OUT THAT THIS IS A PUBLIC HEARING.

OKAY, SCOTT. JULIE, JULIE’S GOING TO START OUT.

MS. NAUMAN: GOOD AFTERNOON, MR. CHAIRMAN AND MEMBERS, JULIE NAUMAN, ACTING

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 DEPUTY DIRECTOR OF THE PERMITTING ENFORCEMENT
2 DIVISION. AND I PROMISE NOT TO TALK SHORTHAND.
3 I HAVE FOR YOU THIS AFTERNOON --
4 THIS IS THE PUBLIC HEARING FOR THE REGULATION
5 PACKAGE FOR A NEW PROGRAM, THE FARM AND RANCH
6 SOLID WASTE CLEANUP AND ABATEMENT GRANT
7 PROGRAM
8 -- AND THE NAME IS SO LONG WE HAVEN'T EVEN BEEN
9 ABLE TO DEVELOP AN ACRONYM FOR IT.
10 SCOTT WALKER WILL PROVIDE SOME
11 CONTEXT FOR YOU, AND THEN REVIEW WITH YOU THE
12 COMMENTS THAT WE HAVE RECEIVED, AND OUR
13 RESPONSE TO THOSE COMMENTS, AND THEN WE'LL ASK
14 FOR YOUR APPROVAL OF THE 1 5-DAY REVIEW PERIOD.
15 MR. WALKER: CHAIRMAN PENNINGTON,
16 MEMBERS OF THE BOARD, MY NAME IS SCOTT WALKER,
17 I AM WITH THE PERMITTING AND ENFORCEMENT
18 DIVISION.
19 THE PURPOSE OF THIS ITEM IS TO
20 PRESENT TO YOU THE RESULTS OF THE 45-DAY PUBLIC
21 COMMENT PERIOD FOR THE PROPOSED REGULATIONS
22 IMPLEMENTING THE FARM AND RANCH SOLID WASTE
23 CLEANUP AND ABATEMENT GRANT PROGRAM.
24 TO GIVE YOU A LITTLE BACKGROUND,
25 THIS PROGRAM WAS THE RESULT OF SENATE BILL 1330

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 BY SENATOR LOCKYER IN 1997, AND IT REQUIRES
2 THAT THE BOARD ADOPT REGULATIONS FOR THIS
3 PROGRAM.
4 THE PROGRAM IS A CONTINUOUS GRANT
5 PROGRAM FOR CITIES AND COUNTIES TO CLEAN UP
6 ILLEGAL DISPOSAL SITES ON FARM OR RANCH
7 PROPERTY WHERE THERE IS NO RESPONSIBLE PARTY.
8 THE FUNDING IS UP TO $10,000 PER SITE, AND UP
9 TO $50,000 PER CITY OR COUNTY, PER YEAR
10 AVAILABLE. THIS GENERALLY ADDRESSES PRIMARILY
11 NUISANCE DUMPING, ILLEGAL DUMPING, SMALL-SCALE
12 TYPE SITUATIONS PRIMARILY IN RURAL AREAS OF THE
13 STATE. THERE IS APPROXIMATELY $490,000 THAT
14 HAVE BEEN ALLOCATED FOR THIS PROGRAM, FISCAL
15 YEAR ‘98-99.
16 ONE POINT -- QUESTION HAS BEEN MADE
17 ABOUT JOINT POWERS AUTHORITY, OR JPAS. AND THE
18 POINT TO MAKE THERE IS THAT THE JPA IS NOT
19 CONSIDERED AS AN INDIVIDUAL CITY OR COUNTY, SO
20 THERE WOULD BE A SIMILAR APPLICATION ABILITY,
21 IN TERMS OF SOME OF THE OTHER PROGRAMS, FOR
22 JPAS TO ASSIST ON BEHALF OF THEIR MEMBERS.
23 TO GIVE YOU A LITTLE SCHEDULE ON
24 HOW WE GOT TO WHERE WE ARE NOW. IN FEBRUARY
25 AND MARCH, 1998, WE CONDUCTED PUBLIC WORKSHOPS.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 AND THESE ARE WHAT WE TYPICALLY DO FOR
2 REGULATIONS TO TRY AND IRON OUT A LOT OF THE
3 DIFFERENCES BETWEEN THE STAKEHOLDERS. AND WE
4 HAD A PRETTY GOOD SUCCESS ON THAT.
5 AND IN APRIL THE BOARD APPROVED FOR
6 THE OFFICE OF ADMINISTRATIVE LAW THE FORMAL
7 REGULATION RULEMAKING PROCEDURE TO IS SUE THE
8 45-DAY PUBLIC COMMENT PERIOD.
9 IN MAY WE SUBMITTED TO CAL EPA --
10 WE HAVE TO GET THE FISCAL IMPACT STATEMENT BY
11 CAL EPA BEFORE WE GO FORWARD WITH THAT COMMENT
12 PERIOD, AND WE FINALLY GOT THAT IN SEPTEMBER,
13 APPROVED THE FISCAL IMPACT STATEMENT, AND THAT
14 WAS AFTER WE ADDED A SUNSET REVIEW LANGUAGE.
15 AND ON NOVEMBER 23RD WAS THE CONCLUSION OF THE
16 FORMAL 45-DAY COMMENT PERIOD.
17 SUMMARIZING THE COMMENTS, WE
18 RECEIVED FIVE COMMENTORS, AND IN GENERAL THERE
19 WAS PRETTY GOOD SUPPORT. WE HAD TWO
20 RECOMMENDED CHANGES THAT WE ARE PROPOSING.
21 ONE IS A MINOR CLARIFICATION, THAT
22 IT’S THE LOCAL GOVERNMENT THAT IS THE GRANTEE,
23 IT’S NOT A DIRECT BOARD GRANT TO PRIVATE
24 PARTIES. PRIVATE PARTIES MUCH COORDINATE WITH
25 THEIR LOCAL GOVERNMENT AS THE LOCAL GOVERNMENT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 IS VIEWED AS THE GRANT'S SUBMITTAL.

2 THE OTHER ONE IS A LITTLE BIT MORE

3 -- IT'S REALLY THE MAIN ONE. AND THIS HAS TO

4 DO WITH A PROVISION IN THE PROGRAM WHICH ALLOWS

5 A FORMER RANCH PROPERTY OWNER TO REQUEST A STAY

6 OF ANY ENFORCEMENT ORDER OR FINES THAT THEY MAY

7 HAVE BEEN ISSUED. AND THAT STAY WOULD--THE

8 PROPOSED REGULATIONS, WE INCLUDED BASICALLY

9 THAT A STAY COULD BE PROPOSED, THE BOARD GRANTS

10 THAT STAY.

11 BUT ONE LEA COMMENTED THAT WE

12 DIDN'T REALLY HAVE A FOLLOW-THROUGH ON THAT.

13 WHAT IF A GRANT IS—THE BOARD DOES NOT

14 APPROVE A GRANT FOR WHATEVER REASON, WHETHER

15 THE BOARD DETERMINES THERE IS A RESPONSIBLE

16 PARTY OR THEY DON'T VIEW THIS AS MEETING THE

17 CRITERIA.

18 WELL, IN THAT CASE THE LEA

19 REQUESTED THAT THEY HAVE THE ABILITY TO GO BACK

20 TO WHATEVER ENFORCEMENT AUTHORITY AND ORDERS

21 THAT THEY CAN IS SUE AT A LOCAL LEVEL, AND

22 THAT'S WHY WE PROPOSE A CHANGE TO DECLARE THAT

23 ANY STAY OF ENFORCEMENT

24 ORDER NULL AND VOID IF THE GRANT APPLICATION IS

25 DENIED.

Please note: These transcripts are not individually approved and reviewed for accuracy.

AND WE DON’T ANTICIPATE A LOT OF
ACTIVITY IN THIS PARTICULAR SECTION, BECAUSE
THAT’S BEEN AVAILABLE TO INVOKE EVEN BEFORE THE
REGS WERE ADOPTED, SINCE THE BEGINNING OF THIS
YEAR, AND WE HAVE NOT HAD ANYBODY CONTACT US ON
THAT. SO, WE DON’T ANTICIPATE A LOT OF
ACTIVITY IN THAT AREA.
IN CONCLUSION, STAFF RECOMMEND
APPROVAL OF A 15-DAY PUBLIC COMMENT PERIOD FOR
THE ABOVE CHANGES.
I ALSO WANTED TO ADD THAT A
SEPARATE ITEM WILL BE PREPARED WHICH WILL GIVE
THE BOARD FOR APPROVAL A GRANT APPLICATION FORM
AND SCORING CRITERIA.
THAT CONCLUDES MY PRESENTATION.
CHAIRMAN PENNINGTON: QUESTION SO
STAFF? YES, MR. FRAZEE.
MEMBER FRAZEE: SCOTT, COULD YOU SITE
THE STAY PROVISION, WHERE THAT IS IN THE REG?
MR. WALKER: YES. THE STAY PROVISION
IS IN SECTION 17994, FINES AND ABATEMENT
ORDERS.
AND OUR PROPOSED CHANGE WOULD ADD
BASICALLY A SECTION C, WHICH WOULD STATE IF A
GRANT IS DENIED BY THE BOARD UNDER THIS

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CHAPTER, OR IS TERMINATED PURSUANT TO SECTION
2 17993.7(D), THE STAY ALLOWED IN THIS SECTION
3 SHALL BE NULL AND VOID.
4 MEMBER FRAZEE: THIS INDICATES ANY
5 FINES LEVIED ON OR ABATEMENT ORDERS ISSUED
6 AGAINST A FARM OR RANCH PROPERTY OWNED BY A
7 LOCAL ENFORCEMENT AGENT OR
8 OTHER LOCAL AGENCY AS A RESULT OF SOLID WASTE
9 DISPOSED OUT ON THE OWNER'S RANCH OR FARM
10 PROPERTY.
11 WHAT IF A LOCAL JURISDICTION IS SUES
12 AN ABATEMENT ORDER, A NUISANCE ABATEMENT, CAN
13 WE, IN FACT, STAY THAT ORDER? DO WE HAVE THE
14 AUTHORITY TO DO THAT, OR IS THIS AGAINST
15 ABATEMENT ORDERS ISSUED BY THE LEA?
16 MR. WALKER: THIS WOULD BE BASICALLY
17 ANY ORDER IS SUED ON THE
18 PROPERTY OWNER PURSUANT TO THIS CHAPTER.
19 AND THE STAY WOULD BE--IN OUR.
20 INTERPRETATION IT IS -- IT WOULDN'T JUST BE THE
21 LEA, IT WOULD BE ANOTHER -- IT COULD BE ANOTHER
22 AGENCY, TOO.
23 MEMBER FRAZEE: ANOTHER AGENCY?
24 MR. WALKER: YES.
25 MEMBER FRAZEE: OKAY. AND I'M JUST

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 TRYING TO THINK THIS THROUGH. AT WHAT POINT --
2 YOU KNOW, I CAN SEE A CIRCUMSTANCE WHERE A
3 LOCAL JURISDICTION MIGHT ORDER THE PROPERTY
4 OWNER TO CLEAN UP, AND WITHIN A CERTAIN PERIOD
5 OF TIME UNDER THE ABATEMENT PROCEDURES, IT'S
6 NOT DONE, THEY COME IN AND PERFORM IT
7 THEMSELVES.
8 IS THERE SOME CHANCE FOR CONFLICT
9 BETWEEN ONE HAND NOT TALKING TO THE OTHER, AND
10 A CLEANUP APPLICATION BEING PROCESSED ALSO?
11 MR. WALKER: WELL, I THINK THERE'S A
12 COUPLE AREAS THAT WOULD TEND TO CORRECT THAT.
13 ONE OF WHICH IS BEING THAT THERE HAS TO BE AN -
14 - BEFORE IT COMES TO THE BOARD THE SITE HAS TO
15 MEET CERTAIN ELIGIBILITY CRITERIA.
16 AND ONE OF THOSE IS AN EVALUATION
17 BY THE LOCAL AGENCY OF WHETHER OR NOT THERE'S A
18 RESPONSIBLE PARTY. AND IN ALL LIKELY -- I
19 CAN'T IMAGINE THAT WE'D BE ABLE TO DO THAT
20 WITHOUT SOME INVESTIGATION ON THE STATUS OF
21 WHAT'S BEEN DONE AT THE SITE AND WHAT IS -- IF
22 ANY ORDERS HAVE BEEN ISSUED, OR ANY -- BECAUSE
23 AN INVESTIGATION HAS TO BE MADE IN ORDER TO
24 DETERMINE THAT THERE IS NO RESPONSIBLE PARTY.
25 AND THERE MAY BE AN OPTION --

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MEMBER FRAZEE: IT JUST WOULD NOT OCCUR
2 -- THE ODDS ARE THAT IT WOULDN'T, ANYWAY, TO
3 HAVE--
4 MR. WALKER: RIGHT. WE COULDN'T
5 ELIMINATE ANY - - MY EXPERIENCE OVER THE YEARS
6 WITH THE STATE IS THERE'S ALWAYS SOMETHING
7 THAT'S GOING TO COME UP AFTER REGS ARE ADOPTED,
8 SO YOU CAN'T SAY FOR SURE SOMETHING'S NOT GOING
9 TO HAPPEN.
10 BUT WE FEEL LIKE, YOU KNOW, THERE
11 IS SUFFICIENT FLEXIBILITY HERE, THAT WE THINK
12 THAT WE'VE GOT MOST OF THE SCENARIOS KIND OF
13 COVERED. IF WE DON'T, AND IF SOMETHING COMES
14 UP, WE WILL HAVE THE ABILITY TO ADJUST. AND
15 WHEN WE COME BEFORE THE BOARD WITH APPLICATION
16 AND SCORING CRITERIA THERE WILL BE -- AS THE
17 PROGRAM DEVELOPS, IF BUGS COME UP WE'LL BE ABLE
18 TO REVISIT AND REVISE POLICY TO IMPLEMENT THE
19 PROGRAM.
20 I THINK SOME OF THIS INFORMATION
21 WILL BE COVERED -- IN ORDER TO GET AT WHAT
22 YOU'RE ASKING, WHAT YOU'RE CONCERNED ABOUT --
23 THROUGH THE APPLICATION FORM WHERE WE'LL HAVE
24 SOME SPECIFIC INFORMATION THAT THE APPLICANT
25 HAS TO PROVIDE. AND MAYBE THAT MIGHT BE AN

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 AREA WHERE WE CAN AVOID SOME CONFUSION BETWEEN
2 THE AGENCIES AND THE STATE.
3 MEMBER FRAZEE: OKAY. THANK YOU.
4 CHAIRMAN PENNINGTON: ANY ADDITIONAL
5 QUESTIONS OF -- MR. JONES.
6 MEMBER JONES: I HAVE A COUPLE. SCOTT,
7 ON THE SITE ELIGIBILITY AND ON -- YOU KNOW,
8 WHAT ARE WE GOING TO DO -- I THOUGHT WE HAD
9 TALKED ABOUT MAKING SURE THAT WE WEREN'T GOING
10 TO FUND SOMEBODY'S ILLEGAL DUMP SITE.
11 50, I MEAN, IF SOMEBODY HAS
12 HISTORICALLY HAD A DUMP ON THEIR PROPERTY, I
13 DON'T SEE ANYWHERE IN THESE REGS THAT IT --
14 THAT THEY ARE ELIMINATED, THAT THEY CANNOT GET
15 THAT FUNDING. AND I'M NOT TALKING ABOUT
16 ILLEGAL DUMPING, I'M TALKING ABOUT SOMEBODY
17 THAT HAS A LITTLE PORTION OF THE PROPERTY THAT
18 THEY USE FOR. THEIR OWN DUMPING.
19 MR. WALKER: THAT CLEARLY WOULD NOT BE
20 ELIGIBLE. INELIGIBILITY, THERE MUST BE A
21 DETERMINATION THAT THERE IS NO RESPONSIBLE
22 PARTY. AND THEN THE DEFINITION OF NO
23 RESPONSIBLE PARTY, IT MEANS THAT, YOU KNOW, IF
24 YOU LOOK AT THE RESPONSIBLE PARTY, MEANS ANY
25 INDIVIDUAL, TRUST, FIRM, JOINT STOCK COMPANY,

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 ET CETERA, WHO BY CONTRACT, AGREEMENT OR
2 OTHERWISE ARRANGE FOR THE TRANSPORTATION TO
3 AND/OR DISPOSAL OF SOLID WASTE AT THE SITE.
4 YOU KNOW, IF A PROPERTY OWNER TOOK
5 HIS OWN WASTE AND HE DUMPED IT IN HIS YARD HE
6 WOULD NOT MEET THAT DEFINITION, AND HE WOULD
7 NOT BE ELIGIBLE.
8 MEMBER JONES: I KNOW THAT, AND YOU
9 KNOW THAT. I JUST WANT TO MAKE SURE THAT
10 PEOPLE DON’T -- BECAUSE THE INTENT OF THIS
11 THING WAS TO HELP THE FARMERS AND THE RANCHERS
12 THAT HAVE PEOPLE COMING BY AND DUMP IT. AND
13 THAT CLEARLY IS A GOOD PURPOSE, AS YOU KNOW.
14 BECAUSE WE WERE WORKING ON THIS IN POLICY
15 BEFORE THE LEGISLATION EVER WENT THROUGH.
16 BUT I JUST HOPE THAT WE’RE NOT
17 GOING TO SEE A LOT OF LEAS BRING FORWARD LONG-
18 STANDING DUMPS THAT ARE -- THAT THEY THINK ARE
19 GOING TO FALL UNDER THIS. BECAUSE THEN THOSE
20 RANCHERS THAT, IN FACT, ARE BEING HIT WITH
21 ILLEGAL DUMPING AREN’T GOING TO HAVE FUNDS
22 AVAILABLE. SO WE HAVE TO BE CAREFUL.
23 KATHRYN TOBIAS: I THINK THAT THE
24 GREATER POTENTIAL FOR SOME MISUSE ON THAT IS
25 WHERE THERE MIGHT HAVE BEEN SOME KIND OF

Please note: These transcripts are not individually approved and reviewed for accuracy.

HISTORIC SO-CALLED DUMP THAT MIGHT HAVE ORIGINALLY BEEN THE LANDOWNER'S, OR A PREVIOUS LANDOWNER TO THIS LANDOWNER, AND THEN SOMEONE ELSE HAS -- YOU KNOW, OTHER PEOPLE CONTINUED USING IT EVEN THOUGH THAT CURRENT ONE IS NOT. AND I THINK SINCE THE GOVERNMENTAL ENTITIES HAVE TO MAKE THE INITIAL FINDING OF WHETHER OR NOT THERE'S A RESPONSIBLE AGENCY, HOPEFULLY WE'LL BE WORKING WITH THE LEAS CAREFULLY ENOUGH THAT THEY WILL BE LOOKING AT THAT.

THE OTHER QUESTION I HAD IS WHETHER WE HAD ANYTHING IN HERE, OR WHETHER IT CAME UP IN THE HEARINGS, AS TO WHAT HAPPENS WITH A CONSISTENT, A CHRONIC TYPE OF SITE WHERE WE CLEAN IT UP AND TWO TO THREE YEARS LATER WE SEE IT AGAIN. DO EITHER THE LANDOWNERS HAVE ANY RESPONSIBILITY THERE TO DO SOMETHING, OR WOULD WE JUST LOOK AT THE COUNTIES WHO ARE BRINGING FORWARD A SITE EVERY COUPLE OF YEARS BECAUSE PEOPLE CONTINUALLY USE IT?

MR. WALKER: PART OF THE PRIORITIZATION IS, WHILE THIS PROGRAM EMPHASIZES FUNDING FOR - - PRIORITY FOR FUNDING FOR LOCAL JURISDICTIONS THAT HAVE INNOVATIVE PROGRAMS TO PREVENT

Please note: These transcripts are not individually approved and reviewed for accuracy.

ILLEGAL DUMPING, SO IN AND OF -- THAT'S SOMETHING THAT HAS TO BE ADDRESSED BEFORE -- YOU KNOW, WITH THIS SITE PRIORITIZATION. SO THAT'S ONE AREA THAT WE THINK'LL HELP COVER THAT.

AND ALSO I WANTED TO POINT OUT, IN THE SITE RANKING CRITERIA WE DO HAVE -- UNDER SECTION 17992.2 WE WILL RANK THESE -- ONE OF THE RANKING CRITERIA IS THE PRIOR REMEDIATION OF THE SITE WHICH -- WITH FUNDS GRANTED TO A LOCAL AGENCY UNDER THIS CHAPTER. SO THAT'S A SPECIFIC ASPECT THAT HAS TO BE CONSIDERED.

MEMBER JONES: MR. CHAIRMAN?

CHAIRMAN PENNINGTON: YES.

MEMBER JONES: YOU KNOW, I DON'T WANT TO SEE -- THE RANCHER THAT'S GOT 10 MILES OF FRONTAGE ROAD WHO THEY'RE ALWAYS DUMPING ON, HE WOULDN'T BE EXCLUDED. I MEAN, IF HE CATCHES IT QUICK AND GETS IT TAKEN CARE OF, HE'S GOT THAT ABILITY TO COME BACK IF SOMEBODY ELSE DUMPS A BUNCH OF STUFF, RIGHT?

MR. WALKER: RIGHT.

MEMBER JONES: YOU KNOW WHAT I'M SAYING?

MR. WALKER: YEAH.

MEMBER JONES: WHERE HE'S DEALING, MANAGING

Please note: These transcripts are not individually approved and reviewed for accuracy.

IN A PRETTY RESPONSIBLE WAY, TRYING TO KEEP HIS PROPERTY CLEAN, HE'S NOT GOING TO BE PENALIZED IF HE HAPPENS TO BE THE TARGET, YOU KNOW, THE FAVORITE PLACE IN THE COUNTY TO DUMP THIS STUFF.

MR. WALKER: RIGHT. YEAH, AND WHILE IT'S A CONSIDERATION, YOU KNOW, IT CERTAINLY -- IF HE'S AN INNOCENT LANDOWNER ON THIS, AND THEN HE'S GOING TO CONTINUE TO STILL BE ABLE TO APPLY.

I THINK WE'D PROBABLY BE IN A POSITION WHERE WE'RE GOING TO WANT TO SEE WHAT PROGRAMS THE LOCALS -- WE'LL HAVE SOME CONDITION ON THE LOCAL AGENCY'S GRANT WHERE THEY MAY DO A LITTLE BETTER JOB OF SURVEILLANCE PERHAPS OR THINGS LIKE THAT, THAT MIGHT BE AN OPTION FOR THE BOARD TO CONSIDER.

THE OTHER THING IS, THERE IS AN OPTION FOR REIMBURSEMENT, TOO, TO LOCAL AGENCIES. SO IT ALSO ADDRESSES, SAY, IF A PROPERTY OWNER GOES AHEAD AND CLEANS UP A SITE AND THERE'S SUFFICIENT DOCUMENTATION ON IT TO VERIFY THAT IT MEETS ELIGIBILITY AND CRITERIA, THAT THE AGENCY CAN PROPOSE A GRANT TO REIMBURSE.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 AND THAT WOULD ALSO BE -- WE VIEWED
2 THAT AS IMPORTANT BECAUSE WE DIDN'T WANT
3 ANYBODY TO WAIT TO APPLY FOR IT. THEY MAY GET
4 A LITTLE THING STARTED AND IF THEY WAIT TO GET
5 A GRANT TO DO SOMETHING IT JUST COULD GET
6 TOTALLY OUT OF CONTROL, AND THE COST IS JUST
7 GOING TO GO -- SKYROCKET. SO WE FELT THAT WE -
8 - IN THE WORKSHOPS THAT WAS REALLY INSISTED
9 THAT WE REFLECT A CONSIDERATION OF THAT OPTION.
10 MEMBER JONES: EFFECTIVE WHAT DATE?
11 I MEAN, WE'RE TALKING ABOUT
12 CLEANUPS THAT HAPPEN AFTER A DATE CERTAIN, AND
13 I'M ASSUMING THAT'S THE DATE THAT THIS GOES --
14 MR. WALKER: RIGHT. AND ONE RESPONSE
15 TO THAT THAT WE THOUGHT ABOUT THAT ALLEVIATED
16 THAT CONCERN WAS THE FACT THAT THE
17 DOCUMENTATION THAT THEY HAVE TO PROVIDE, THE
18 EVIDENCE THAT THERE'S NO RESPONSIBLE PARTY AND
19 THE DOCUMENTATION OF THE WORK TO BE DONE, WE
20 FELT THAT THAT'S GOING TO HELP. THAT WILL
21 PROBABLY PREVENT MOST OF -- YOU KNOW, LIKE SOME
22 GUY WHO CLEANS UP A DUMP 10 YEARS AGO WANTS TO
23 COME IN AND GET PAID FOR IT, YOU KNOW, THEY'RE
24 NOT GOING TO BE ABLE TO PROVIDE THE
25 DOCUMENTATION THAT THERE WAS NO RESPONSIBLE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 PARTY ITS GOING TO BE -- UNLESS THEY HAVE THE

2 LOCAL AGENCY OUT THERE INVESTIGATING AND

3 PROVIDING THAT INFORMATION TO US IT'S GOING TO

4 BE EXTREMELY DIFFICULT --

5 MEMBER JONES: : HOW ABOUT THE GUY THAT

6 CLEANED IT UP LAST WEEK?

7 MR. WALKER: PARDON?

8 MEMBER JONES: HOW ABOUT THE GUY THAT

9 CLEANED IT UP LAST WEEK?

10 MR. WALKER: WELL, I WOULD SAY A

11 POTENTIAL--

12 MEMBER JONES: IF THE LEA KNEW, THEN MAYBE.

13 BUT IF THE LEA DIDN'T KNOW, THEN WHAT?

14 MR. WALKER: IF THE LEA DIDN'T KNOW I

15 CAN'T SEE HOW THEY'RE GOING TO MATCH THE

16 ELIGIBILITY CRITERIA.

17 MEMBER JONES: I JUST WANT TO MAKE SURE

18 WE'RE NOT GOING TO BE PAYING FOR SOMETHING THAT

19 WAS CLEANED UP.

20 CHAIRMAN PENNINGTON: ANY ADDITIONAL

21 QUESTIONS?

22 KATHRYN TOBIAS: IS THAT THE LANGUAGE,

23 SUZANNE, THAT ADDRESSES THAT?

24 SCOTT, COULD YOU JUST -- ARE YOU

25 CLEAR ON WHAT SUZANNE'S BRINGING UP? AND I'D

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 LIKE THE BOARD TO UNDERSTAND THAT, JUST BECAUSE
2 IT'S DIFFERENT FROM OUR USUAL AUTHORITY, ON
3 THIS ISSUE OF THIS STAY, AND STAYING SOMEBODY
4 ELSE'S ORDERS.
5 SUZANNE, DO YOU WANT TO ADDRESS
6 THAT OR...?
7 MS. SMALL: THAT STAY IN THE REG COMES
8 RIGHT OUT OF THE STATUTE, AND SO WHEN THE
9 STATUTE STATES THAT WE HAVE OVERRIDING
10 AUTHORITY OVER THE LOCALS, THEN SO
11 LET IT BE.
12 AND THE PORTION OF THE STATUTE THAT
13 SPEAKS TO THAT IS 48101, SUBPARAGRAPH D, WHICH
14 SAYS:
15 "ANY FINES LEVIED OR AN ABATEMENT
16 ORDER ISSUED AGAINST A FARM OR RANCH
17 PROPERTY BY A LOCAL ENFORCEMENT AGENCY
18 OR OTHER LOCAL AGENCY PRIOR TO
19 JANUARY 1, 1998, IF THE FINE HAS NOT
20 BEEN PAID, OR AFTER JANUARY 1, 1998, OR
21 LEVIED...." ET CETERA, ET CETERA.
22 SO IT DEFINITELY SPEAKS TO LOCAL AGENCIES'
23 ORDERS.
24 KATHRYN TOBIAS: WE WOULD ORDINARILY NOT
25 HAVE THE ABILITY TO OVERRIDE ANOTHER

Please note: These transcripts are not individually approved and reviewed for accuracy.

JURISDICTION'S ORDER. SO I JUST WANT TO MAKE THAT CLEAR, THAT'S A PRETTY UNIQUE CIRCUMSTANCE.

MR. WALKER: I WANT TO JUST ADD A LITTLE BIT MORE TO BOARD MEMBER FRAZEE'S QUESTION, JUST A NOTE ABOUT THESE STAYS. ANOTHER ASPECT IS THAT THE STAY'S NOT ISSUED UNLESS -- THE OWNER HAS TO MAKE THE REQUEST TO THE LOCAL AGENCY, AND SO THAT'S ANOTHER-- THAT WOULD PROVIDE A LITTLE MORE OF A -- YOU KNOW, PREVENTING SOME OF THOSE PROBLEMS THAT YOU THOUGHT YOU PRESENTED.

MEMBER FRAZEE: THAT BRINGS UP AN INTERESTING TRAIN TO FOLLOW HERE. SUPPOSING A RANCHER HAS AN ACCUMULATION OF WASTE ON HIS OR HER RANCH AND THE LOCAL AGENCY ISSUES AN ORDER, A NUISANCE ABATEMENT ORDER, AND THEN THAT PERSON APPLIES FOR A GRANT UNDER THIS CLEANUP, I GUESS THAT HAS THE EFFECT OF STAYING THE ORDER.

MR. WALKER: WELL, I THINK THE WAY IT WOULD WORK IS THAT THE OWNER WOULD HAVE TO REQUEST THE STAY TO THE LOCAL AGENCY, AND THE LOCAL AGENCY WOULD BE THE ONE TO -- AND WORK WITH THE LOCAL AGENCY FOR THE APPLICATION FOR A

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 GRANT.

2 UPON RECEIPT OF THAT REQUEST THE

3 LOCAL AGENCY WOULD MAKE A DECISION -- EITHER

4 MAKE A DECISION THAT THE PROPERTY OWNER'S NOT

5 RESPONSIBLE FOR THE DUMPING. WHICH, IN ANY

6 EVENT, WOULD BASICALLY NULL, IN AND OF ITSELF

7 THE ORIGINAL ORDER. OR, TWO, FILE --

8 MEMBER FRAZEE: NOT NECESSARILY.

9 MR. WALKER: - - A WRITTEN APPEAL - -

10 KATHRYN TOBIAS: -- BECAUSE THE ORDER

11 WILL GO TO THE PROPERTY, NOT TO THE PROPERTY

12 OWNER.

13 BUT I THINK THE POINT THAT WE'RE

14 TRYING TO EMPHASIZE HERE IS THAT THROUGH THE

15 PROCESS, AND IT'S LAID OUT IN 17994, THE

16 PROPERTY OWNER IN ESSENCE PROVIDES ACTUAL

17 NOTICE TO THE LOCAL AGENCY THAT HAS ISSUED THE

18 ABATEMENT ORDER THAT THEY ARE TRYING TO PURSUE

19 A GRANT, WHICH -- SO THE LOCAL AGENCY WOULD

20 THEN MAKE THE CHOICE OF -- WELL, THEY WOULD NOT

21 PROCEED WITH THE CLEANUP WORK. BUT THEY'D ALSO

22 BE ON NOTICE THAT THE PROPERTY OWNER IS TRYING

23 TO SECURE FUNDS SO THAT THEY CAN CLEAN IT UP.

24 SO IF I WERE THE LOCAL AGENCY AND I

25 GOT THIS NOTICE I WOULD JUST STOP, UNDERSTAND

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THAT THERE'S GOING TO BE A STAY AND THEN THE
2 PUBLIC AGENCY WOULDN'T EXPEND MONEY, WHICH
3 WOULD THEN NORMALLY RESULT IN A LIEN ON THE
4 PROPERTY.
5 MEMBER FRAZEE: YEAH. BUT SUZANNE'S CITING
6 OF STATUTE, I THINK, USED THE WORDS "STAY THE
7 FINES," AND I WONDER IF YOU CAN STAY THE ORDER
8 UNDER THAT PROVISION ALSO. THE CLEANUP AND
9 ABATEMENT--.
10 MS. SMALL: THE LANGUAGE SPEAKS TO
11 ORDERS AND FINES.
12 MEMBER FRAZEE: AND ORDERS --
13 MS. SMALL: YES.
14 MEMBER FRAZEE: -- AND FINES? OKAY. I
15 MISSED THAT.
16 CHAIRMAN PENNINGTON: ANY OTHER
17 QUESTIONS OF STAFF? IF NOT, WE HAVE A COUPLE
18 OF PEOPLE WHO WOULD LIKE TO ADDRESS THIS.
19 GEORGE GOUGH.
20 MR. GOUGH: THANK YOU, MR. CHAIR, AND
21 BOARD MEMBERS, MY NAME IS GEORGE GOUGH, I'M WITH
22 THE CALIFORNIA CATTLEMEN'S ASSOCIATION. AND
23 I'LL BE VERY BRIEF TODAY BECAUSE I UNDERSTAND
24 YOU HAD A RATHER FULL DAY YESTERDAY, AND A VERY
25 INTERESTING DISCUSSION THIS MORNING ON

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 PLASTICS.

2 AND SO PM JUST HERE TO SAY THAT AS

3 THE SPONSORS OF SUBPOENA 1330, SENATE BILL

4 1330, WE ARE HERE CLEARLY TO SUPPORT THE

5 PROPOSED REGULATIONS, AS WELL AS THE SUGGESTED

6 AMENDMENTS BY STAFF. AND SO WE'LL BE BACK

7 WITHIN THE NEXT OPPORTUNITY TO STATE THAT AGAIN

8 ONCE IT'S -- FOR ITS FINAL APPROVAL

9 THIS HAS BEEN A VERY LARGE ISSUE,

10 OR AN ISSUE OF INCREASING CONCERN BY OUR

11 MEMBERS UP AND DOWN THE STATE OF CALIFORNIA AS

12 WE SEE A GREATER URBANIZATION OR SUB-

13 URBANIZATION OF ONCE-RURAL AREAS, A GREATER

14 INTERFACE OF RURAL PROPERTY OWNERS AND NEW

15 PEOPLE OUT TO THE COUNTY WE'VE SEEN GREATER

16 AMOUNTS OF SOLID WASTE BEING ILLEGALLY DISPOSED

17 OR DUMPED ON MEMBERS' PROPERTIES BY THOSE

18 PEOPLE WHO IN SOCIETY DON'T FEEL THEY NEED TO

19 GO TO THE DUMP AND TAKE CARE OF THINGS

20 PROPERLY, LIKE WE ALL DO.

21 SO I'M HERE TO EXPRESS OUR SUPPORT.

22 I THINK YOU HAVE A COPY OF OUR COMMENTS, EACH

23 ONE OF YOU.

24 AND I REALLY WANT TO -- WISH TO

25 CONVEY OUR THANKS AND OUR APPRECIATION TO BOTH

Please note: These transcripts are not individually approved and reviewed for accuracy.

THE BOARD FOR YOUR ASSISTANCE ON THIS EFFORT, AS WELL AS THE STAFF. ITS TAKEN SOME TIME TO GET THROUGH THE PROCESS AND IT'S VERY NICE TO SEE THAT HAS WORKED OUT THE WAY IT HAS, AND LOOK FORWARD TO WORKING WITH EVERYONE HERE IN THE FUTURE ON THIS PROGRAM AS IT GETS GOING UNDERWAY. THANK YOU.

CHAIRMAN PENNINGTON: THANK YOU. ANY QUESTIONS? OKAY. THANK YOU. NEXT WE HAVE GEORGE LARSON.

MR. LARSON: THANK YOU, MR. CHAIRMAN, MEMBERS. I'M HERE TODAY SPEAKING ON BEHALF OF THE KINGS WASTE AND RECYCLING AUTHORITY, WHICH IS A LEGISLATIVELY-ESTABLISHED JOINT POWERS AUTHORITY UNDER 6500 OF THE GOVERNMENT CODE, AS DISTINGUISHED, LET'S SAY, FROM SOME MORE LOOSELY ORGANIZED JOINT POWERS AUTHORITIES IN THE STATE, OR MEMORANDUMS ARRANGED BETWEEN JURISDICTIONS.

I TESTIFIED ON THIS ISSUE PREVIOUSLY, AND REALLY WHAT I'D LIKE TO DO TODAY IS GET A CONFIRMATION IN TERMS OF AN INTERPRETATION FROM BOARD MEMBERS, LEGAL STAFF OR STAFF ON THE ISSUE OF JOINT POWERS AUTHORITY FOR KINGS COUNTY, WHICH IS DEFINED AS A RURAL

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 COUNTY BY DEFINITION, POPULATION 110,000.
2 GEOGRAPHICALLY, I CAN ASSIST IN LOCATING IT,
3 ITS CONTIGUOUS TO THE FINE COUNTY OF TULARE,
4 AND HANFORD IS REALLY A BEDROOM COMMUNITY OF
5 THE THRIVING METROPOLIS OF DINUBA. BUT IT
6 TYPIFIES MANY OF THE CENTRAL VALLEY COUNTIES.
7 AND THEY HAVE UNDERTAKEN THEMSELVES
8 TO FORM A JOINT POWERS AUTHORITY. THEY HAVE
9 BUILT A MATERIALS RECOVERY FACILITY, WORKING
10 DILIGENTLY TOWARDS MEETING ALL OF THE STATE'S
11 MANDATES, INCLUDING AB 939. AND THE REGIONAL
12 EFFORTS THERE I THINK ARE CONSISTENT WITH THE
13 REGIONAL EFFORTS THAT HAVE BEEN SUPPORTED BY
14 THIS BOARD IN ALLOWING LOCAL JURISDICTIONS THE
15 FLEXIBILITY TO APPROACH PROGRAMS TOGETHER
16 RATHER THAN INDEPENDENTLY.
17 WHAT I'D LIKE TO GET A
18 CLARIFICATION ON IS THAT SPECIFIC ISSUE, THAT
19 JOINT POWERS AUTHORITIES CAN ASSEMBLE AMONGST
20 THEIR MEMBERSHIPS -- IN THIS CASE THE CITIES OF
21 HANFORD, CORCORAN, AND LEMOORE, ALL
22 INCORPORATED CITIES, AND THE COUNTY OF KINGS --
23 EACH CITY ADOPTING A RESOLUTION BY THEIR CITY
24 COUNCIL IDENTIFYING SPECIFIC SITES THEY WANT
25 CLEANED UP, AND THE COUNTY BOARD OF SUPERVISORS

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 BY RESOLUTION OF THAT BOARD, TO DESIGNATE THE
2 JOINT POWERS AUTHORITY AS THE ENTITY THAT WILL
3 ASSIST OR OVERSEE THE IMPLEMENTATION OF THE
4 GRANT. I THINK IT'S CONSISTENT, AGAIN, WITH
5 THE REGIONAL APPROACHES THAT HAVE BEEN
6 SUPPORTED BY THE BOARD.
7 ANOTHER IS SUE WHICH I THINK NEEDS
8 CLARIFICATION, WHICH I THINK COMING IN ON A
9 REGIONAL LEVEL HELPS TO ADDRESS A SPECIFIC
10 PROBLEM THAT THESE CITIES IN KINGS COUNTY HAVE,
11 IS MANY TIMES THE SMALLER CITIES, OR THE THREE
12 CITIES AND THE COUNTY HAVE WHAT I'D CALL A
13 SPHERE OF INFLUENCE. IN OTHER WORDS, WITHIN
14 THEIR CITY THEY MAY NOT HAVE A DIRECT ILLEGAL
15 DISPOSAL PROBLEM BUT ON OCCASION, OR MORE
16 FREQUENTLY THE CASE, ILLEGAL DISPOSAL IS DONE
17 JUST BEYOND THE CITY LIMITS, WHICH WOULD BE IN
18 THE UNINCORPORATED AREA.
19 SO, BY ALLOWING THE CITIES JOINTLY
20 TO COME IN WITH THE COUNTY I THINK THEY CAN
21 MORE EFFECTIVELY DESIGNATE THE SITES THAT MAY,
22 IN FACT, BE IN AN UNINCORPORATED AREA OF THE
23 COUNTY BUT THE WASTE BE GENERATED, BUT
24 BECAUSE IT'S ON THE
25 OUTSKIRTS OF ONE OF THE CITIES.

Please note: These transcripts are not individually approved and reviewed for accuracy.

FINALLY, WE SUPPORT THE
CLARIFICATION ON INCLUSION OF EASEMENTS TO THAT
PROPERTY AS AN EFFECTIVE WAY TO ASSIST THAT
WASTE THAT'S DISPOSED ON THE
EDGE OF THE ROADS.
WE SUPPORT THE REQUIREMENT FOR
INNOVATIVE PUBLIC EDUCATION PROGRAMS SO THAT
ONCE SITES ARE CLEANED UP THEY DON'T JUST
BECOME A DUMP SITE AGAIN, THAT THERE'S AN
EFFECTIVE PROGRAM TO REDUCE OR ELIMINATE THAT
PROBLEM.
AND FINALLY, I WOULD SUGGEST OR
RECOMMEND THAT REIMBURSEMENTS TO PRIOR CLEANUP
PROGRAMS BE AT A LOWER PRIORITY THAN THOSE THAT
ARE DEFINED FOR CLEANUP. PRINCIPALLY ON THE
BASIS THAT SOMEBODY MUST HAVE RAISED THE MONEY,
EITHER THROUGH THE PUBLIC DOMAIN OR THROUGH THE
OWNERSHIP OF THAT PROPERTY, THAT CLEANED THAT
PROPERTY UP IN THE FIRST PLACE. AND I THINK
THERE ARE AMPLE OPPORTUNITIES FOR CLEANUP
THROUGH THE GRANTS PROGRAMS THAT'LL BE
ADMINISTERED UNDER THE RANCH AND FARM CLEANUP
PROGRAM TO TACKLE THOSE FIRST AT LEAST.
WITH THAT PD BE PLEASED TO ACCEPT
ANY QUESTIONS.

Please note: These transcripts are not individually approved and reviewed for accuracy.

CHAIRMAN PENNINGTON: QUESTIONS? MR. JONES.

MEMBER JONES: I HAVE A QUESTION. I KNOW WE INCLUDED EASEMENTS, BUT THERE WAS A ROLE FOR THE COUNTY ROAD DEPARTMENTS FOR A LONG TIME, THAT THEY -- YOU KNOW, CALTRANS, COUNTY ROADS -- CLEANED UP INCIDENTAL LITTER AND THINGS LIKE THAT THAT WERE ALONG THOSE HIGHWAYS, TO INCLUDE THIS -- YOU KNOW, EASEMENTS ARE INCLUDED. BUT DO WE BECOME THE FUNDING MECHANISM FOR THE ROADS DEPARTMENT?

MR. LARSON: AND I'LL SPEAK SPECIFICALLY TO KINGS COUNTY, AND THE ANSWER IS NO. BECAUSE WE ARE WORKING -- THE AUTHORITY IS WORKING WITH THE LOCAL ENFORCEMENT AGENCY FOR THE COUNTY IN DETERMINING AND ESTABLISHING A PRIORITY FOR THE ILLEGAL DISPOSAL SITES, IF YOU WILL, THAT NEED TO BE CLEANED UP. AND IT WILL NOT BE INCIDENTAL LITTER, IT WILL BE BASED REALLY ON RECOMMENDATIONS OF THE LEA -- WHO, INCIDENTALLY, THEIR OFFICE DID NOT WANT TO ADMINISTER THIS PROGRAM. THEY ARE ALSO IN FAVOR, AND WE CAN GET A LETTER TO SUCH EFFECT, TO HAVE THE KINGS WASTE RECYCLING AUTHORITY

Please note: These transcripts are not individually approved and reviewed for accuracy.

OVERSEE THE ADMINISTRATION OF THE GRANT. THE KINGS COUNTY FARM BUREAU ALSO IS A VERY STRONG SUPPORTER OF THE STRUCTURE THAT WE'RE TRYING TO ESTABLISH IN TAKING ADVANTAGE OF THIS GRANT PROGRAM IN KINGS COUNTY. BUT IT'S NOT TO CLEAN UP LITTER.

MEMBER JONES: I WANT TO FOLLOW THAT UP WITH ANOTHER QUESTION. IF KINGS COUNTY WASTE AUTHORITY WAS TO BECOME THE ADMINISTRATOR -- AND I DON'T KNOW IF THAT'S LEGAL, I DON'T KNOW IF WE HAVE TO VOTE ON THAT OR WHAT WE HAVE TO DO -- BUT IF THEY WERE WOULD THAT -- YOU KNOW, ONE OF THE CRITERIA IS DISCOUNTS IN DISPOSAL, THOSE TYPES OF THINGS.

DOES KINGS COUNTY SEE THAT AS AN INTEGRATED PROGRAM, WHERE THEY'LL DISCOUNT THE DUMP FEE, TO BE THE ADMINISTRATOR OF THAT SO THAT WE GET THE BIGGEST BANG FOR THE BUCK?

MR. LARSON: WELL, I THINK THERE'S -- THE SHORT ANSWER IS YES. THERE'S ANOTHER ASPECT TO THAT, IS THAT RECYCLING -- THE MATERIALS RECOVERY FACILITY IS BUILT THERE SPECIFICALLY, OF COURSE, FOR THE DIVERSION REQUIRED BY AB 939. ALL OF THE MATERIALS THAT WOULD BE RECOVERED WOULD GO ACROSS THE SCALE.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MEMBER JONES: RIGHT.

2 MR. LARSON: AND I THINK IT'S AN

3 EXCELLENT SUGGESTION THAT WOULD BE WELL

4 RECEIVED LOCALLY, TO DO IT AT A DISCOUNTED PER-

5 TON TIP FEE, AND MAKE SURE THAT ALL THAT

6 MATERIAL THAT IS RECOVERED OR PICKED UP, THAT

7 ANYTHING THAT'S WORTHY OF RECOVERY BE PULLED

8 OUT OF THE WASTE STREAM TO CONTRIBUTE TO THEIR

9 939 GOALS.

10 MEMBER JONES: AND THAT'S WHERE I

11 FIGURED IT WOULD GO, WOULD BE TO YOUR FACILITY

12 BECAUSE YOU'RE NOT -- YOU DON'T HAVE ANY MORE -

13 - OR, YOUR LANDFILL'S CLOSING, RIGHT? PRETTY

14 QUICK?

15 MR. LARSON: THE LANDFILL IS CLOSED AS

16 OF OCTOBER 30TH, AND WE NOW HAVE A CONTRACT

17 WITH A MAJOR WASTE COMPANY AT KETTLEMAN HILLS.

18 MEMBER JONES: RIGHT, RIGHT. AND

19 THAT'S WHAT I WAS THINKING. AND I DIDN'T KNOW

20 IF THAT HAD ALREADY WORKED INTO YOUR PLANS.

21 MR. LARSON: YES. IT'S A VERY --

22 MEMBER JONES: -- BE A DISCOUNTED RATE

23 MR. LARSON: -- COOPERATIVE EFFORT.

24 I MEAN, THE USED OIL PROGRAM

25 SERVES, I THINK, AS SOME PRECEDENT THAT HAS

Please note: These transcripts are not individually approved and reviewed for accuracy.

WORKED SUCCESSFULLY THERE. WE ARE NOW IN THE PROCESS OF IMPLEMENTING THE AGRICULTURAL USED OIL PROGRAM. SO THE FARM BUREAU'S RIGHT ON BOARD WITH THE KINGS WASTE RECYCLING AUTHORITY, AND THE CITIES AND COUNTY.

SO, ALBEIT I'VE FINISHED MY TESTIMONY, I WOULD REQUEST THAT THERE BE SOME CLARIFICATION -- WHETHER IT BE TODAY OR THROUGH THE 15-DAY COMMENT PERIOD -- TO SPECIFY THE PROCESS AND MEANS BY WHICH JOINT POWERS AUTHORITIES AND THEIR INCORPORATED CITIES AND COUNTIES BE ABLE TO AVAIL THEMSELVES ON A REGIONAL BASIS FOR THESE GRANT MONIES. THANK YOU.

CHAIRMAN PENNINGTON: I'M SURE THAT THE STAFF WILL DO THAT IN THE 15-DAY PERIOD. RIGHT?

KATHRYN TOBIAS: LET ME ADDRESS THAT, BECAUSE I THINK THERE IS AN ISSUE HERE. THE STATUTE'S VERY SPECIFICALLY WRITTEN FOR CITIES AND COUNTIES. IN FACT, I CAN'T REMEMBER A STATUTE RECENTLY THAT REFERS TO CITIES AND COUNTIES LIKE THIS, MOST OF THE TIME THEY REFER TO LOCAL AGENCIES, SO THIS IS KIND OF INTERESTING.

Please note: These transcripts are not individually approved and reviewed for accuracy.

SO, I THINK WHAT WOULD HAVE TO
HAPPEN IS THAT IF THE JPA WANTS TO APPLY IN THE
NAMES OF THE CITIES AND COUNTIES, I DON'T THINK
THERE'S ANYTHING THAT PROHIBITS THEM FROM DOING
THAT.
THEY WILL HAVE TO PREPARE A
SEPARATE APPLICATION FOR EVERY CITY AND COUNTY
-- BE SEPARATE, BECAUSE THE MONIES ALLOCATED
ARE ON THE BASIS OF THE CITIES AND THE
COUNTIES. AND THEN IT ALSO REQUIRES US TO PAY
SPECIFICALLY TO THE CITY AND COUNTY, IT SAYS TO
MAKE PAYMENTS TO CITIES AND COUNTIES.
SO IF YOU WERE GOING TO DO THAT,
THE JPA WAS GOING TO DO THAT, BASICALLY THE
MONEY WOULD HAVE TO GO BACK TO THE CITIES AND
COUNTIES. AND THEN THEY COULD, IF THEY WANTED
TO, SEND THE MONEY BACK TO THE JPA IF THEY WERE
DOING THAT.
SO I HAVE TO SAY, ON A FAIRLY QUICK
READING OF THE STATUTE AND LOOKING AT THAT, I
DON'T SEE ANY PROVISION FOR THAT
REGIONALIZATION. SO EITHER YOU NEED A
STATUTORY CHANGE TO THAT, OR YOU COULD SET UP A
PROCEDURE FOR DOING THAT.
MR. LARSON: PROCEEDING

Please note: These transcripts are not individually approved and reviewed for accuracy.

WITH GREAT CAUTION INTO THE LEGAL ARENA OF INTERPRETATION OF LAW AND CODE, PERHAPS A CROSS-REFERENCE WITH THE SPECIFIC LANGUAGE IN 6500 OF THE GOVERNMENT CODE THAT CREATES JOINT POWERS AUTHORITY COULD GIVE SOME GUIDANCE AS TO HOW THAT AUTHORITY VESTED IN LOCAL AGENCIES -- WHICH IS THE WAY IT'S WRITTEN HERE, BUT I SEE IT'S DEFINED LOCAL AGENCY AS ANY CITY OR ANY COUNTY -- THAT PERHAPS THE GOVERNMENT CODE WILL PROVIDE THAT FLEXIBILITY.

OTHERWISE, I THINK WE CREATE A SITUATION OF ADDITIONAL BURDENS ON BUREAUCRACY OF HAVING TO ADMINISTER THROUGH FOUR JURISDICTIONS RATHER THAN ONE, WHICH CERTAINLY CONTRIBUTES TO EFFICIENCY.

KATHRYN TOBIAS: AND LET ME POINT OUT -- JUST BECAUSE YOU'VE RAISED THAT ISSUE, WHICH IS THE SAME QUESTION I JUST RAISED, WHY DID WE EVEN DEFINE IN (G) A LOCAL AGENCY, BECAUSE THE STATUTE'S SO CLEAR ON CITY AND COUNTY -- IS THAT, AT LEAST IN ONE PLACE THAT I CAN FIND, AND PROBABLY IN SEVERAL OTHER ONES, WHAT IT DOES. IT REFERS VERY SPECIFICALLY TO CITIES AND COUNTIES, BUT IN A COUPLE PLACES WHERE IT'S TALKING ABOUT KINDS OF CRITERIA AND THE WAY TO DO THINGS, I THINK

Please note: These transcripts are not individually approved and reviewed for accuracy.

IT USES THE TERM LOCAL AGENCY, BUT IN ACTUALALITY WHAT IT'S DOING, IT WAS A SHORTCUT, AND IT DIDN'T SAY CITY AND COUNTY. SO I DON'T THINK THAT WE'RE GOING TO HAVE -- IF THIS WASN'T SO SPECIFICALLY DRIVEN, SO SPECIFICALLY WRITTEN TO THE CITIES AND COUNTIES THERE MIGHT BE MORE ROOM IN IT. BUT I HAVE TO SAY THAT I THINK THAT IT WOULD BE MUCH EASIER FOR US IF YOU WOULD JUST -- YOU KNOW, IF THE JPA WANTS TO DO IT, TO HAVE THEM SUBMIT THE APPLICATIONS ON BEHALF OF THE CITIES AND COUNTIES WITH THE CITIES' AND COUNTIES' SIGNATURES, AND THEN HAVE THE CHECKS GO BACK, BUT THE JPA CAN COLLECT THOSE. BECAUSE I DON'T REALLY SEE THE AUTHORITY, UNFORTUNATELY, TO REFER IT BACK TO A JPA.

MR. LARSON: OKAY. WOULD YOU, WITH JUST THE BRIEF REVIEW YOU JUST NOTED TAKING, BE ABLE TO GIVE ME A READ ON WHETHER AN ILLEGAL DISPOSAL SITE THAT IS OBVIOUSLY GENERATED BY A POPULATION CENTER OF AN INCORPORATED CITY BUT HAPPENS TO BE LOCATED IN THE UNINCORPORATED AREA, THAT THAT CITY -- IN COORDINATION OR COOPERATION, OR WITH A JOINT LETTER OR RESOLUTION, WHATEVER OFFICIAL BINDING COMMITMENT IT TAKES -- WOULD BE ABLE TO UTILIZE

Please note: These transcripts are not individually approved and reviewed for accuracy.

THE -- THE CITY WOULD BE ABLE TO UTILIZE MONEY TO CLEAN UP A MESS, IF YOU WILL, GENERATED OUT OF THE CITY'S WASTE STREAM IN THE UNINCORPORATED AREA?

MEMBER JONES: THAT DOESN'T MAKE ANY SENSE.

KATHRYN TOBIAS: I DON'T THINK SO. I THINK THAT THE WAY THIS IS WRITTEN IS THAT, AND IT'S KIND OF INTERESTING -- IS THAT IT REALLY ASSUMES THAT YOU DON'T KNOW WHO'S RESPONSIBLE FOR IT. SO THAT'S ACTUALLY NOT ONE OF THE CRITERIA, IN THE SENSE THAT YOU DON'T HAVE TO WORRY ABOUT WHETHER IT'S ACTUALLY THE CITY. AND IN AWAY-- OR THE INTENT, AS I UNDERSTAND THE ORIGINAL INTENT OF THE BILL, THEY'RE NOT REALLY INTERESTED IN WHO PUT THE WASTE THERE, IT'S MORE A PER SE IS SUE, THE WASTE IS THERE, CLEAN IT UP. AND SO IT'S NOT GOING TO MAKE ANY DIFFERENCE WHETHER IT'S GENERATED ON THE OTHER SIDE OF THE COUNTY LINE. LET'S SAY THERE'S A RURAL COUNTY NEXT TO AN URBAN COUNTY, AND YOU KNOW IT'S PROBABLY THE URBAN COUNTY WHO'S TAKING THE WASTE OUT THERE, IT'S NOT GOING TO MAKE ANY DIFFERENCE. AND THAT'S WHY YOU HAVE A STATEWIDE PROGRAM THAT JUST SAYS IF THERE'S WASTE THERE WE'RE GOING TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

PICK IT UP.

MR. LARSON: OKAY. WELL, WE HAVEN'T REALLY DONE OUR PRIORITIZATION OF THE ILLEGAL SITES THERE ANYWAY, SO THIS MAY BE A MOOT ISSUE.

BUT THERE ARE, I BELIEVE, 17 JOINT POWERS AUTHORITIES IN THE STATE OF CALIFORNIA, WHICH WOULD PROBABLY INCLUDE A SUBSTANTIAL NUMBER OF JURISDICTIONS WHO MIGHT, YOU KNOW, BENEFIT OR HAVE THEIR EFFORTS DIMINISHED BY THAT INTERPRETATION.

BUT, ANYWAY, I APPRECIATE THE OPPORTUNITY TO MAKE COMMENTS. AND WE'LL GO BACK AND CHECK HOW THAT'S GOING TO WORK OUT UNDER YOUR INTERPRETATION. MAYBE SUBMIT SOME WRITTEN COMMENTS IN THE 15-DAY PERIOD.

KATHRYN TOBIAS: I ALSO--I'M NOT SURE IT WOULD TAKE A LOT MORE JUST TO GO THROUGH THAT PROCEDURE THAT I OUTLINED THAT, YOU KNOW, MIGHT FACILITATE THE WHOLE THING, SO.

MR. LARSON: OKAY. THANK YOU.

CHAIRMAN PENNINGTON: OKAY. THANK YOU. ALL RIGHT. ANY QUESTIONS? I'LL ENTERTAIN A MOTION THEN.

MEMBER JONES: MR. CHAIRMAN?

Please note: These transcripts are not individually approved and reviewed for accuracy.

CHAIRMAN PENNINGTON: YES, MR. JONES?

MEMBER JONES: I THINK WE OUGHT TO DIRECT STAFF TO REVISE THE PROPOSED REGULATIONS AS RECOMMENDED, AND PROVIDE NOTICE FOR AN ADDITIONAL 15-DAY PUBLIC COMMENT PERIOD.

MEMBER FRAZEE: I'LL SECOND.

CHAIRMAN PENNINGTON: IT'S BEEN MOVED BY MR. JONES, SECONDED BY MR. FRAZEE, TO APPROVE THE PROPOSED REVISIONS AS NOTED IN ATTACHMENT 1 OF THE AGENDA ITEM, AND AN ADDITIONAL 15-DAY COMMENT PERIOD. IF THERE'S NO FURTHER DISCUSSION, WILL THE SECRETARY CALL THE ROLL?

THE SECRETARY: BOARD MEMBER EATON?

MEMBER EATON: NO.

THE SECRETARY: FRAZEE?

MEMBER FRAZEE: AYE.

THE SECRETARY: JONES?

MEMBER JONES: AYE.

THE SECRETARY: RHOADS?

MEMBER RHOADS: I JUST SHOULD SAY FOR THE RECORD, I ALSO VISITED KINGS COUNTY, BECAUSE THAT'S WHERE THE CRUMB RUBBER PLANT IS. AND THAT WAS AN AYE VOTE?

THE SECRETARY: THAT WAS AN AYE?

Please note: These transcripts are not individually approved and reviewed for accuracy.

MEMBER RHOADS: THAT WAS AN AYE VOTE.

THE SECRETARY: ROBERTI?

MEMBER ROBERTI: AYE.

THE SECRETARY: CHAIRMAN PENNINGTON?

CHAIRMAN PENNINGTON: AYE.

MOTION CARRIES. THAT CLOSES THAT PUBLIC HEARING ON THAT.

AND NOW WE'RE GOING TO MOVE I THINK ANOTHER PUBLIC HEARING, HUH? THE PUBLIC HEARING ON PROPOSED REGULATIONS FOR THE SOLID WASTE DISPOSAL AND CODISPOSAL SITE CLEANUP PROGRAM, CONSIDERATION OF STAFF RECOMMENDATIONS FOR REVISIONS, AND APPROVAL TO NOTICE A 15-DAY COMMENT PERIOD.

MS. NAUMAN: THANK YOU. MR. CHAIRMAN AND MEMBERS, JULIE NAUMAN.

THIS IS THE REG PACKAGE, THIS IS OUR FIRST REG PACKAGE FOR THE SOLID WASTE DISPOSAL AND CODISPOSAL SITE CLEANUP PROGRAM, WHICH WE, ON A DAY-TO-DAY BASIS, REFER TO AS THE AB 2136 PROGRAM. AND AS YOU NOTED IN YOUR INTRODUCTION, THIS IS THE PUBLIC HEARING FOLLOWING THAT 45-DAY PERIOD. WE HAVE RECEIVED A NUMBER OF COMMENTS, AND STAFF WILL REVIEW THOSE WITH YOU.

Please note: These transcripts are not individually approved and reviewed for accuracy.

I MIGHT ALSO NOTE THAT, CONSISTENT
WITH THE DIRECTION THAT YOU HAVE BEEN PROVIDING
US OVER THE LAST SEVERAL MONTHS, STAFF HAS BEEN
WORKING ON DEVELOPING SOME POLICIES FOR THE
PROGRAM THAT WILL SUPPLEMENT AND COMPLEMENT
THE REGULATIONS. WE'RE STILL
WORKING ON THAT, AND OUR INTENT IS TO BRING
BACK TO YOU IN JANUARY BOTH THE REGULATION
PACKAGE FOR FINAL ADOPTION AND THE POLICY FOR
YOUR CONSIDERATION.
SO, WITH THAT, I'D LIKE TO ASK
SCOTT WALKER TO WALK THROUGH FOR YOU
BACKGROUND ON THE PROGRAM ITSELF AND THE
PROCESS THAT WE HAVE GONE THROUGH TO DEVELOP THE
REG PACKAGE,
AND THE SPECIFIC COMMENTS THAT WE'VE RECEIVED.
MR. WALKER: CHAIRMAN PENNINGTON,
MEMBERS OF THE BOARD, MY NAME IS SCOTT WALKER,
I'M WITH THE PERMITTING AND ENFORCEMENT
DIVISION.
A VERY SIMILAR AGENDA ITEM AS THE
LAST ONE, ESSENTIALLY EQUIVALENT, EXCEPT THAT
IT'S A DIFFERENT CLEANUP PROGRAM.
ONE THING I'D LIKE TO POINT OUT IS
A SUMMARY OF THE COMMENTS RECEIVED AND THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 RESPONSES IS PROVIDED IN THE UPPER -- AT THE
2 TABLE AND HAS BEEN PASSED OUT TO THE BOARD.
3 THAT WASN'T AVAILABLE IN TIME FOR PRESS FOR THE
4 ITEM.
5 THE SOLID WASTE DISPOSAL AND
6 CODISPOSAL SITE CLEANUP PROGRAM -- AND HERE'S
7 ANOTHER ACRONYM, AB 2136 PROGRAM-- ISA
8 PROGRAM FOR CLEANUP OF SITES WHERE THE CLEANUP
9 IS NEEDED TO PROTECT PUBLIC HEALTH AND SAFETY,
10 DISPOSAL SITES WHERE THE CLEANUP IS NEEDED TO
11 PROTECT PUBLIC HEALTH AND SAFETY, AND THE
12 ENVIRONMENT, WHERE THE RESPONSIBLE PARTY CANNOT
13 BE IDENTIFIED OR IS UNABLE OR UNWILLING TO PAY
14 FOR TIMELY REMEDIATION.
15 THIS PROGRAM IS FOR THE BIGGER
16 PROBLEM ILLEGAL SITES AND OLDER DISPOSAL SITES.
17 IT'S DIFFERENT FROM FARM AND RANCH, IT -- FARM
18 AND RANCH IS SPECIFIC TO FARM AND RANCH
19 PROPERTIES, PRIMARILY NUISANCE DUMPING SITES
20 TYPE SITUATIONS.
21 THE COMPONENTS OF THIS, OF THE AB
22 2136 PROGRAM INCLUDE BOARD-MANAGED CLEANUPS,
23 MATCHING GRANTS TO LOCAL GOVERNMENT, LOANS TO
24 LOCAL GOVERNMENT, AND GRANTS TO LEAS.
25 THE PROGRAM HAS BEEN IN PLACE SINCE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 APPROXIMATELY 1994. AND AS MOST OF THE BOARD
2 MEMBERS HAVE ENCOUNTERED VARIOUS SITES THAT WE
3 BRING FORWARD NOW AND AGAIN, WE'VE APPROVED --
4 THE BOARD HAS APPROVED 95 SITES, AND WE'VE
5 REMEDIATED 81 OF THESE SITES SO FAR.
6 THERE IS NOT A STATUTORY
7 REQUIREMENT TO WRITE REGULATIONS FOR THIS.
8 WE'VE BEEN IMPLEMENTING THIS PROGRAM WITH
9 STATUTE, BUT IN LATE 1997 THE BOARD DIRECTED --
10 WE WERE DIRECTED TO PURSUE AND TO DRAFT
11 REGULATIONS TO FACILITATE IMPLEMENTATION OF THE
12 PROGRAM.
13 THIS PROGRAM IS ALLOWED TO EXPEND
14 UP TO $5 MILLION PER YEAR FROM THE SOLID WASTE
15 DISPOSAL SITE TRUST FUND.
16 THE SCENARIO ON WHERE WE ARE WITH
17 THESE REGULATIONS. THE BOARD APPROVED GOING
18 OUT FOR THE FORMAL 45-DAY COMMENT PERIOD IN
19 MARCH. AND IN MAY, AGAIN SIMILAR TO THE FARM
20 AND RANCH PROGRAM, WE SUBMITTED THE FISCAL
21 IMPACT STATEMENT TO CAL EPA, AND IN SEPTEMBER
22 THEY APPROVED IT, AFTER THE SUNSET REVIEW
23 LANGUAGE WAS ADDED. THIS IS A SITUATION THAT
24 AFFECTED SEVERAL OF OUR REG PACKAGES. AND
25 NOVEMBER 23 THE 45-DAY COMMENT PERIOD ENDED ON

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THESE PROPOSED REGULATIONS.

2 WE RECEIVED FOUR COMMENTS,

3 COMMENTORS SENT LETTERS IN. AND THERE WERE 11

4 -- WE HAVE GONE THROUGH THOSE COMMENTS AND WE

5 HAVE 11 RECOMMENDED CHANGES. AND THERE'S TWO -

6 - MOST OF THEM ARE FAIRLY MINOR WORDING

7 CLARIFICATION, BUT THERE'S TWO FAIRLY

8 SIGNIFICANT CHANGES. AND I ALSO ADD THAT THE

9 MOST -- WE GOT THE BULK OF THE COMMENTS FROM

10 ONE COMMENTOR, IT WAS A SAN BERNARDINO COUNTY

11 LOCAL ENFORCEMENT AGENCY.

12 THE FIRST ONE - - ACTUALLY, THIS ONE

13 WAS MORE -- YOU KNOW, THIS WAS INTERNAL WHERE

14 WE DETERMINED THIS CHANGE NEEDED TO BE DONE.

15 BUT THIS WAS REGARDING THE PRIORITIZATION OF

16 SITES FOR CLEANUP BASED ON THREATS TO PUBLIC

17 HEALTH AND SAFETY AND THE ENVIRONMENT.

18 AND, AGAIN, JULIE MENTIONED THAT

19 WE'RE GOING TO BE FOLLOWING UP WITH THE POLICY

20 DISCUSSION TO ADDRESS SOME OF THE BOARD'S

21 CONCERN PROBABLY IN JANUARY.

22 BUT THIS IS THE WAY WE WOULD BRING

23 SITES BEFORE THE BOARD TO ASSURE THE BOARD THAT

24 YOU'RE CONSIDERING CLEANUP OF THE MOST SERIOUS

25 PROBLEMS, BASED ON PUBLIC HEALTH AND SAFETY.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WE PROPOSED IN THE REGULATIONS USE OF A RISK-
2 BASED SCORING MODEL WHERE A NUMERICAL SCORE
3 WOULD BE GIVEN ON THREAT.
4 AND THIS SYSTEM IS -- HASN’T BEEN
5 USED, AND IT IS NOT -- THERE’S A LOT OF
6 PROBLEMS WITH IT, MOST OF THE SITES WILL SCORE
7 IN THE SAME AREA, IT’S HEAVILY SKEWED TOWARDS
8 GROUNDWATER. IT’S SIMILAR TO THE EPA MODELS
9 THAT THEY USE FOR SUPERFUND.
10 THE PROPOSED CHANGE WOULD BASICALLY
11 -- RATHER THAN CITE THOSE, WE WOULD BASICALLY
12 PRIORITIZE SITES FOR PUBLIC HEALTH AND SAFETY
13 BASED ON A COMPARISON WITH STATE MINIMUM
14 STANDARDS. WE HAVE TO LOOK AT STATE MINIMUM
15 STANDARDS FOR ALL THESE SITES ANYWAY, AND
16 THAT’S THE FIRST STEP ANYWAY. AND SO THAT IS
17 WHAT WE’VE BEEN DOING.
18 WHAT WE PLAN ON DOING BETTER --
19 AND IT ALSO GIVES THE BOARD MORE FLEXIBILITY
20 DOWN THE ROAD TO ADJUST -- AND IF THE BOARD
21 DECIDES THAT WE NEED A RISK-BASED SCORING
22 METHOD THEN THEY COULD DIRECT US -- BUT SINCE
23 THE REQUESTED FUNDING HAS MATCHED THE AVAILABLE
24 FUND WE HAVEN’T HAD TO WEED SITES DOWN VERY FAR
25 AND REJECT SOME -- BUT I THINK THIS CHANGE WILL

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 KEEP FLEXIBILITY SO THAT WHEN WE COME BACK IN
2 JANUARY WE CAN REVISIT AND GET SOME FURTHER
3 CLARIFICATION ON THIS, AND BE ABLE TO RESPOND
4 TO SOME OF THE BOARDS CONCERNS.
5 THE OTHER CHANGE WAS REGARDING --
6 WE HAD A REQUIREMENT, A REQUIREMENT IN THE
7 PROPOSED REGULATIONS FOR LOANS -- LOANS AND
8 GRANTS, MATCHING GRANTS ARE TO LOCAL
9 GOVERNMENT, AND WE HAD A REQUIREMENT IN THERE
10 THAT THEY HAD TO BE THE RESPONSIBLE PARTY IN
11 ORDER FOR THEM TO GET THAT.
12 AND THE LOCAL AGENCIES ARE A LITTLE
13 BIT -- THEY DIDN’T REALLY LIKE THAT IN THERE
14 BECAUSE I THINK THERE’S -- ONE ASPECT IS JUST
15 TO BE, YOU KNOW, NAMED THE RESPONSIBLE PARTY,
16 THERE’S SOME SITUATION THERE -- AND THEY FELT
17 THAT IF A LOCAL GOVERNMENT WAS GOING TO,
18 SAY, PAY IT BACK AND DEAL WITH THE
19 CLEANUP THAT -- YOU KNOW, THAT IN AND OF ITSELF
20 IS A POSITIVE INCENTIVE FOR THEM TO BE ABLE TO
21 WORK OUT THROUGH THAT. BECAUSE IF THEY DIDN’T
22 GET -- IF THEY HAD TO BE THE RESPONSIBLE PARTY
23 THAT WOULD RESTRICT A LOT OF SITES THAT THEY
24 POTENTIALLY COULD WORK ON AND ACTUALLY
25 CONTRIBUTE TO THE CLEANUP OF. AND, SO STAFF

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CONCURRED WITH THAT RECOMMENDATION, AND THAT'S
2 THE OTHER MAJOR CHANGE THAT WE PROPOSED.
3 AND, AGAIN, THE LIST, YOU KNOW,
4 WITHOUT GOING IN DETAIL THROUGH THE -- EACH AND
5 EVERY COMMENT -- WE HAVE SENT THESE COMMENTS TO
6 THE -- RESPONSES TO THE LEA AND GONE OVER THEM
7 AND WE THINK THAT THEY'RE REASONABLY SATISFIED
8 WITH OUR RESPONSE. BUT, THOSE ARE THE TWO MAIN
9 ONES THAT WE'VE IDENTIFIED THERE.
10 IN CONCLUSION, STAFF RECOMMEND
11 APPROVAL OF A 15-DAY PUBLIC COMMENT PERIOD FOR
12 THE DESCRIBED CHANGES.
13 AND THAT CONCLUDES MY PRESENTATION,
14 I'D BE HAPPY TO ANSWER ANY QUESTIONS.
15 CHAIRMAN PENNINGTON: QUESTIONS? MR.
16 JONES.
17 MEMBER JONES: THANKS, MR. CHAIRMAN.
18 TWO THINGS, SCOTT. ON RESPONSIBLE
19 PARTY -- OKAY? -- WHERE YOU'RE CLEANING UP A
20 SITE THAT SOMEBODY'S RESPONSIBLE FOR -- RIGHT?
21 MR. WALKER: RIGHT.
22 MEMBER JONES: IF THEY DON'T TAKE
23 OWNERSHIP, THIS RESPONSIBLE PARTY, IF WE'RE IN
24 THE MIDDLE OF CLEANING THAT UP AND WE UNCOVER
25 HUGE AMOUNTS OF HAZARDOUS WASTE ARE WE THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

RESPONSIBLE PARTY, THEN, FOR THAT HAZARDOUS WASTE?

KATHRYN TOBIAS: AND WHO HAS THE TITLE OF THE PROPERTY IN YOUR EXAMPLE?

MEMBER JONES: WELL, I DON’T KNOW. MY PROBLEM IS, IS THAT HE SAID -- YOU KNOW, IF A CITY OR COUNTY HAS TO BE-- THEY DON’T WANT TO BE DEEMED THE RESPONSIBLE PARTY. I DON’T WANT US TO BE DEEMED THE RESPONSIBLE PARTY EITHER. SO, I’M TRYING TO FIND OUT WHO THE HECK THE RESPONSIBLE PARTY IS HERE. SOMEBODY HAS TO BE.

MR. WALKER: THE WAY WE WORK THE PROGRAM NOW, IF WE ENCOUNTER HAZARDOUS MATERIALS THAT WERE NOT ORIGINALLY IDENTIFIED, THEY ARE NORMALLY -- BASICALLY WE DON’T DO ANYTHING WITH IT. WE CONTAIN IT, WE MAKE -- IT’S THE LOCAL’S RESPONSIBILITY. AND IN SOME CASES DTSC BECOMES THE AGENCY, THE LEAD AGENCY AND THEY’RE CONTACTED.

SO IN THAT CASE WE DON’T -- WOULDN’T CONSIDER OURSELVES THE RESPONSIBLE PARTY FOR SOME WASTES THAT WERE UNCOVERED DURING THAT, PROVIDED WE MAKE THE NECESSARY NOTIFICATIONS.

KATHRYN TOBIAS: I THINK THE OTHER SHORT

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 ANSWER IS, IS THAT IF IT WAS MORE THAN
2 INCIDENTAL WASTE THAT -- AS WE'VE FOUND IN THE
3 PROGRAM UP TO NOW, WE WOULD STOP WORK ON IT AT
4 THAT TIME. IN YOUR EXAMPLE, IF THERE WAS --
5 YOU KNOW, IF IT WAS BASICALLY -- ENDED UP BEING
6 A HAZARDOUS WASTE SITE WE WOULD NOT CONTINUE
7 WORKING ON IT UNDER THE 2136 PROGRAM. SO --
8 MEMBER JONES: ALL RIGHT. BUT AT NO
9 TIME ARE WE LISTED AS A RESPONSIBLE AGENCY.
10 KATHRYN TOBIAS: WELL, THERE'S DIFFERENT
11 WAYS UNDER CERCLA BECOMING A RESPONSIBLE
12 PARTY.
13 MEMBER JONES: EXACTLY. AND I WANT TO
14 MAKE SURE WE'RE NOT INVOLVED IN ANY OF THEM.
15 KATHRYN TOBIAS: THE THING THAT WOULD
16 PROBABLY BE MOST LIKELY TO TRIGGER THE BOARD IS
17 THAT IF WE TOOK OVER MANAGEMENT OF THE SITE,
18 AND IF WE WERE DOING SOMETHING LIKE CLEANING UP
19 THE SITE AND STARTED TO TAKE OVER THE
20 MANAGEMENT THAT'S WHAT MIGHT BRING THAT UP.
21 AND THAT'S WHY I'M SAYING WE WOULD NOT KEEP
22 GOING ON A SITE WHERE IT WAS -- YOU KNOW, IT
23 BECAME EVIDENT AT ALL THAT IT'S A HAZARDOUS
24 WASTE SITE AND NOT A SOLID WASTE SITE.
25 AM I NOT MAKING SENSE?

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MR. WALKER: MAINTENANCE REVERTS BACK
2 TO THE ORIGINAL -- THE LOCAL GOVERNMENT, THE
3 APPLICANT. YOU KNOW, WE'RE NOT RESPONSIBLE FOR
4 THE MAINTENANCE OF THE SITE AFTER THE PROJECT'S
5 BEEN COMPLETED.
6 MEMBER JONES: OKAY. BUT I THINK WHAT
7 I'M WORRIED ABOUT IS, UNDER CERCLA, LIABILITY.
8 IF WE ARE -- BECAUSE WE DON'T EVER -- OUR
9 CONTRACTORS ARE IN A CONTRACT WITH US, AND WE
10 ARE FUNDING A BOARD CLEANUP OF A FACILITY,
11 SOMEBODY IS RESPONSIBLE, IT IS NOT US. WE'RE
12 RESPONSIBLE FOR DOING THE WORK, FOR CLEANING IT
13 UP. SOMEBODY HAS OWNERSHIP OF THAT PROPERTY.
14 IT'S A HOTLY-DEBATED ISSUE EVERY
15 TIME WE HAVE ONE OF THESE THINGS COME UP. THEY
16 ARE THE ONES THAT ARE ALWAYS IDENTIFIED AS THE
17 RESPONSIBLE PARTY, RIGHT?
18 MR. WALKER: THE PROPERTY OWNER, IN
19 MOST CASES, IS CONSIDERED A RESPONSIBLE PARTY.
20 IN MOST CASES.
21 MEMBER JONES: SO BY TAKING THIS OUT --
22 I GUESS WHAT I'M GETTING AT, SCOTT, IS IF A
23 COUNTY OR A CITY OWN LAND, JUST LIKE IF I OWNED
24 LAND, AND THEY WERE DOING A CLEANUP ON IT,
25 WE'RE NOT ABSOLVING THEM OF ANY RESPONSIBILITY.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MR. WALKER: NO.

2 MEMBER JONES: IF WE UNEARTH HAZARDOUS

3 WASTE THAT'S BEEN DUMPED THERE, THEY ARE STILL

4 THE RESPONSIBLE PARTY.

5 MR. WALKER: CORRECT.

6 MEMBER JONES: OKAY. AND THEN ON ONE

7 OF YOUR COMMENTS HERE -- AND LEGAL STAFF THINKS

8 IT'S PROBABLY A -- I DON'T KNOW, I DON'T WANT

9 TO USE THE WORD "MISTAKE."

10 MEMBER JONES: BUT ON C0201

11 ONE, CALIFORNIA TRADE COMMISSION, THE COMMENT

12 WAS -- WAIT A MINUTE. OH, THIS WAS OUR

13 RESPONSE: "PRIVATE

14 PARTIES REQUESTING ASSISTANCE THROUGH LOANS

15 SHALL MAKE THOSE REQUESTS ONLY BY AGREEMENT

16 THROUGH LOCAL GOVERNMENTS."

17 PRIVATE PARTIES CAN'T GET LOANS

18 THROUGH THIS PROGRAM, RIGHT?

19 MR. WALKER: RIGHT, THEY CAN'T GET

20 LOANS THROUGH THIS PROGRAM. DIRECT LOANS FROM

21 THE BOARD. THERE MAY BE PUBLIC/PRIVATE

22 PARTNERSHIPS WHERE THE PUBLIC

23 ENTITY IS THE ONE THAT WE GIVE THE LOAN TO.

24 MEMBER JONES: : OKAY. BECAUSE IN

25 18906(A), EVERYTHING HERE SAYS THAT IT'S GOT TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

GO TO A LOCAL GOVERNMENT. RIGHT?

MR. WALKER: CORRECT.

MEMBER JONES: OKAY. I JUST -- PRIVATE PARTIES JUST MADE ME NERVOUS. OKAY.

CHAIRMAN PENNINGTON: ANY ADDITIONAL QUESTIONS? MR. FRAZEE.

MEMBER FRAZEE: MR. CHAIRMAN, MY FAVORITE SUBJECT, COST RECOVERY. I CONTINUE TO HAVE SOME DIFFICULTY UNDERSTANDING THE PROCEDURES SET UP IN THIS, BOTH IN COST RECOVERY 18929, AND THEN RESPONSIBLE PARTY IDENTIFICATION IN 18930; 930 READS: "IF, DESPITE REASONABLE EFFORTS BY THE BOARD TO LOCATE THE PERSONS RESPONSIBLE FOR THE CONDITION OF POLLUTION OR NUISANCE, THE PERSON IS NOT IDENTIFIED AT THE TIME OF CLEANUP, ABATEMENT, OR REMEDIAL ACTION WORK MUST BE PERFORMED, THE BOARD SHALL NOT BE REQUIRED TO ISSUE AN ORDER UNDER THIS CHAPTER.”

WHAT ORDER ARE THEY NOT BEING REQUIRED TO...?

KATHRYN TOBIAS: MR. FRAZEE, I WAS TRYING TO FIND MY PAGE, NOW I’M ON THE PAGE. WHICH

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 SECTION ARE YOU ON? I'M SORRY.

2 MEMBER FRAZEE: 18929, AND THEN 18930 I

3 WAS REFERRING TO.

4 KATHRYN TOBIAS: AND WHAT SECTION ARE YOU

5 ON THAT WAS TALKING ABOUT THE ORDER?

6 CHAIRMAN PENNINGTON: IT'S 18930.

7 MEMBER FRAZEE: IT SAYS "THE BOARD

8 SHALL NOT BE REQUIRED TO ISSUE AN ORDER UNDER

9 THIS CHAPTER." ISSUE AN ORDER AGAINST WHAT OR

10 WHO, OR...?

11 KATHRYN TOBIAS: THE CLEANUP AND ABATEMENT

12 ORDER THAT'S CALLED FOR UNDER THE STATUTE, WE

13 CAN'T ISSUE AN ORDER TO SOMEBODY WE DON'T KNOW

14 WHERE THEY ARE.

15 I'M NOT EXACTLY SURE, TO BE HONEST

16 WITH YOU, WHY WE HAVE THIS PROVISION AND THEN -

17 - BECAUSE IF WE DON'T KNOW THE PERSON THEN

18 THERE'S -- OBVIOUSLY WE'RE NOT GOING TO ISSUE

19 AN ORDER TO THEM, IN ANY CASE. SO-20

MEMBER FRAZEE: SO THIS HAS NOTHING TO

21 DO WITH THE COST RECOVERY PARAGRAPH.

22 KATHRYN TOBIAS: OH, NO. NO, THIS HAS TO DO

23 WITH THE ORDER ITSELF. IT DOESN'T HAVE

24 ANYTHING TO DO WITH THE ENFORCEMENT IN TERMS OF

25 GOING AFTER SOMEBODY.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 MEMBER FRAZEE: OKAY.

2 KATHRYN TOBIAS: I THINK WHAT IT'S SAYING

3 IS, I THINK, AS I RECALL -- MAYBE SUZANNE'S GOT

4 A COMMENT ON THIS -- AS I RECALL, WE ARE

5 REQUIRED TO ISSUE AN ORDER BEFORE WE CLEAN UP.

6 IF WE DON'T KNOW THE ENTITY WHO OWNS IT THEN

7 WE'RE SAYING HERE, IN THAT CASE, WE WON'T BE

8 ISSUING AN ORDER FIRST.

9 DOES THAT MAKE SENSE? THAT'S MY

10 RECOLLECTION, MY DIM RECOLLECTION ON WHY WE

11 NEEDED THIS.

12 MR. WALKER: I THINK THAT WHAT - - MY

13 UNDERSTANDING IS, WHY THIS WAS PUT IN THERE --

14 IT'S KIND OF BEEN A WHILE TO RECOLLECT -- MY

15 MEMORY IS THAT WE DIDN'T WANT TO BE IN A

16 SITUATION -- WE WANTED SOME FLEXIBILITY THAT WE

17 DIDN'T NECESSARILY -- WE DIDN'T HAVE TO IS SUE

18 AN ORDER TO GO FORWARD. THAT THERE MAY BE

19 SITUATIONS YOU CAN'T IDENTIFY -- THERE'S NO

20 RESPONSIBLE PARTY. I MEAN, IT'S JUST -- WE

21 WANTED TO MAKE IT CLEAR THAT, IN THAT

22 SITUATION, WE WOULDN'T HAVE TO ISSUE SOME KIND

23 OF ORDER, TO ATTEMPT TO ISSUE AN ORDER ON THAT

24 SITUATION.

25 MEMBER FRAZEE: ON THE COST RECOVERY

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 ISSUE, I CONTINUE -- AND I THINK MR. JONES
2 CONCURS WITH ME IN THIS, THAT WE OUGHT TO BE
3 SAYING SOMETHING STRONGER ON COST RECOVERY.
4 AND I DON’T KNOW HOW WE GO ABOUT THAT.
5 AND I GO BACK AND CITE MY FAVORITE
6 CASE. IN PARADISE, IN BUTTE COUNTY, WHERE WE
7 KNEW WHO THE RESPONSIBLE PARTY WAS, AND IN
8 SPITE OF A LETTER FROM THE DISTRICT ATTORNEY OF
9 BUTTE COUNTY THAT HE WOULD PURSUE IT NOTHING
10 WAS EVERY DONE, NO FOLLOW-UP EVER OCCURRED ON
11 IT. AND SO THIS INDIVIDUAL WHO AT ONE TIME
12 OWNED THE PROPERTY, AND ALTHOUGH HE DID NOT OWN
13 IT AT THE TIME WE CLEANED IT UP, THE ONLY
14 ACCESS TO THE PROPERTY WAS ACROSS PROPERTY THAT
15 HE OWNED AND CONTROLLED SO IT WAS PRETTY
16 OBVIOUS WHO THE PARTY WAS. AND NO ACTION WAS
17 EVER TAKEN AGAINST THAT PARTY, WHETHER IT BE
18 PROSECUTION OR COST RECOVERY. AND I THINK
19 THAT’S A CASE THAT CRIES OUT FOR PROSECUTION,
20 KNOWING THAT YOU’RE NOT GOING TO GET BLOOD OUT
21 OF A TURNIP, BUT....
22 AND SO THAT’S WHY I CONTINUE TO
23 HARP ON THIS THING OF SOMETHING STRONGER IN THE
24 COST RECOVERY AREA.
25 KATHRYN TOBIAS:

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WELL, I WILL POINT OUT THAT ONE OF THE REASONS
2 THAT WE DID REGS ON THIS IS THAT “RESPONSIBLE
3 PARTIES” WAS NOT EVEN DEFINED IN THE STATUTE.
4 SO ONE OF THE THINGS THAT WE’VE BEEN GRAPPLING
5 WITH OVER THE LAST COUPLE OF YEARS IS WHO IS
6 THE RESPONSIBLE PARTY. IT’S MORE DIFFICULT TO
7 GO TO COURT WHEN WE DIDN’T HAVE A GOOD
8 DEFINITION OF THAT, SO I THINK THAT THE WHOLE
9 REGS PACKAGE IS AN ATTEMPT TO BE MORE
10 DEFINITIVE AS TO WHO WE CAN GO AFTER.
11 SO I THINK WHAT THIS IS BASICALLY
12 SAYING, IN 18929, IS THAT -- IT SAYS IF THE
13 REMEDIAL ACTION IS TAKEN ANY COSTS INCURRED BY
14 THE BOARD ARE RECOVERABLE FROM THE RESPONSIBLE
15 PARTIES WHO UNLAWFULLY CAUSED IT, ANY AND ALL
16 RESPONSIBLE PARTIES ARE JOINTLY AND SEVERABLY
17 LIABLE. SO THAT MEANS THAT WE CAN BASICALLY GO
18 AFTER THE PREVIOUS OWNERS, THE PRESENT OWNERS,
19 WHOEVER WE CAN FIND ON THAT.
20 I ALSO THINK THE OTHER THING THAT
21 YOU’RE GETTING TO IS BASICALLY MORE OF A POLICY
22 DETERMINATION BY THE BOARD. THAT, I GUESS, I’M
23 -- I THINK WE WOULD CERTAINLY BE OPEN TO OTHER
24 LANGUAGE IN REGS, BUT I WOULD SUGGEST THAT IT
25 ACTUALLY BE SOMETHING THAT WE DON’T NECESSARILY

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 TAKE UP IN THE REGS, BUT TALK ABOUT IN TERMS OF
2 COST RECOVERY.
3 SO, WE WERE PREPARED TO COME TO THE
4 BOARD ON COST RECOVERY IN JANUARY, BUT I THINK
5 IT'S GOING TO BE FEBRUARY BECAUSE OF THE
6 JANUARY AGENDA IS SOMEWHAT FULL AT THE MOMENT,
7 SO--
8 MEMBER FRAZEE: IF YOU JUST WAIT TILL
9 MARCH YOU WON'T HAVE ME TO CONTEND WITH.
10 KATHRYN TOBIAS: I WILL MAKE IT MY PERSONAL
11 EFFORT, MR. FRAZEE, TO BRING IT BEFORE YOU'RE
12 GONE.
13 MR. WALKER: I JUST WANTED TO ADD THAT
14 THESE REGULATIONS PROVIDE MORE OF A FOUNDATION
15 TO CLARIFY SOME OF THE ISSUES THAT WILL MAKE IT
16 EASIER FOR US TO DEAL WITH ISSUES LIKE COST
17 RECOVERY. AND SO THAT'S ONE OF THE THINGS, WHY
18 WE PUT FORWARD THESE REGULATIONS. AND THAT KEY
19 ISSUE IS THE DEFINITION OF RESPONSIBLE PARTY,
20 AND SO HOPEFULLY THAT CAN PROVIDE A BETTER
21 FOUNDATION FOR GOING FORWARD WITH POLICY THAT'S
22 GOING TO BE MORE ACCEPTABLE.
23 CHAIRMAN PENNINGTON: MR. JONES.
24 MEMBER JONES: MR. CHAIRMAN, I AGREE
25 WHOLEHEARTEDLY WITH MR. FRAZEE.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 BUT I WOULD LIKE TO RESPECTFULLY
2 ASK THAT WE SPEND SOME TIME ON THIS COST
3 RECOVERY ISSUE, BECAUSE I'D FEEL MORE
4 COMFORTABLE IF IT WAS IN REGULATION AS OPPOSED
5 TO POLICY. BECAUSE WE HAVE A DEBATE EVERY TIME
6 WE TALK ABOUT COST RECOVERY, AND IT ALWAYS
7 SEEMS TO REFER BACK TO....
8 I MEAN, I WOULDN'T MIND SEEING THIS
9 A WHOLE LOT MORE DEFINED, IF NOT JUST FOR THE
10 STAKEHOLDERS, BUT FOR EVERYBODY INVOLVED SO
11 THAT THEY UNDERSTAND THAT THERE IS A
12 REQUIREMENT, AN OBLIGATION, AND A DUTY TO
13 RECOVER COSTS ON THE CLEANUPS OF THESE
14 PROPERTIES.
15 EVEN IF THAT COST IS -- THE ONLY
16 THING THAT GUY OWNS IS A $7,000 TRUCK, IF THAT
17 IS WHAT IS CAUSING THE PROBLEM THEN WE NEED TO
18 TAKE THAT ACTION. YOU KNOW, IF IT -- A
19 $300,000 CLEANUP, A $7,000 TRUCK, IT'S NOT
20 WORTH IT TO GO AFTER -- IT'S WORTH IT TO ME. IF
21 THAT'S THE SOURCE OF THE POLLUTION THEN IT IS
22 WORTH IT TO ME.
23 SO I'D LIKE US TO DEAL WITH THIS A
24 LOT MORE. AND IF THAT MEANS NOT PUTTING THIS
25 OUT FOR 15 DAYS, BUT JUST KEEPING THE 45-DAY

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 PERIOD OPEN A LITTLE LONGER, UNTIL WE CAN GET
2 THAT REALLY NAILED DOWN, I WOULDN'T BE ADVERSE
3 TO THAT BECAUSE I THINK IT'S THAT CRITICAL.
4 CHAIRMAN PENNINGTON: WHEN DOES THE 45-
5 DAY END?
6 MR. WALKER: THE 45-DAY COMMENT PERIOD
7 ENDED NOVEMBER 23RD.
8 CHAIRMAN PENNINGTON: SO YOU COULD SEND
9 IT OUT FOR ANOTHER 45.
10 MEMBER JONES: THAT'S WHAT I'M SAYING.
11 AND THAT WOULD GIVE US TIME TO GET THAT THING
12 WORKED OUT AND GET IT IN THERE.
13 MEMBER FRAZEE: MR. CHAIRMAN, THE ONLY
14 STATEMENT ON COST RECOVERY NOW SAYS "THE AMOUNT
15 OF THESE COSTS SHALL BE RECOVERABLE IN A CIVIL
16 ACTION,' AND THAT'S ALL IT SAYS. IT DOESN'T
17 EVEN SAY WHO OR WHY, OR....
18 KATHRYN TOBIAS: YOU KNOW, I THINK IN THE
19 CONTINUING DEBATE OVER THIS, I THINK ONE THING
20 THAT FURTHER DISCUSSION MIGHT POINT OUT IS
21 THAT, IF YOU LOOK BACK AT THE INTENT OF THE
22 LEGISLATION, THAT THIS WAS AN ORPHAN SITE
23 PROGRAM.
24 AND MAYBE ONE OF THE ISSUES HERE --
25 AND I'M ONLY RAISING THIS, I'M NOT TRYING TO BE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 ARGUMENTATIVE AT ALL -- IS THAT MAYBE WE'RE
2 FUNDING THE WRONG KINDS OF PROJECTS IN SOME
3 CASES. IF THERE ARE RESPONSIBLE PARTIES MAYBE
4 WE SHOULD NOT BE FUNDING THEM OUT OF 2136, AND
5 WE SHOULD ONLY BE FUNDING THE PROJECTS WHERE
6 THERE IS TRULY NO RESPONSIBLE PARTY THAT WE CAN
7 GET.
8 AND I THINK THAT, CERTAINLY, COMING
9 BACK WITH SOME DISCUSSION -- I KNOW THAT SOME
10 OF YOU OVER THE YEARS HAVE SEEN THE LETTERS
11 THAT WE HAVE FROM THE LEGISLATOR -- AND I
12 FORGET WHETHER IT WAS THE LEG
13 COUNSEL OR ONE OF THE OTHER ARBITERS OF
14 LEGISLATIVE INTENT -- BASICALLY OPINED ON WAS
15 THAT THE MAIN INTENT OF THIS LEGISLATION WAS TO
16 CLEAN UP SITES AND REMOVE PUBLIC HEALTH AND
17 SAFETY PROBLEMS, AS OPPOSED TO BEING A PROGRAM
18 WHERE WE CLEAN UP FIRST AND SUE LATER.
19 AND, SO I THINK THAT MAYBE SOME
20 CONTINUED DISCUSSION ON JUST THAT ISSUE MIGHT
21 BE HELPFUL. WE COULD BRING FORWARD THAT
22 INFORMATION AND YOU COULD LOOK AT IT, WE COULD
23 GIVE YOU SOME SENSE OF HOW MUCH ROOM THERE IS
24 IN THIS STATUTE TO -- YOU KNOW, WHAT TYPES OF
25 PROJECTS YOU WOULD LIKE TO CLEAN UP.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 AND, WHETHER IT SHOULD INCLUDE
2 CERTAIN TYPES WHERE THERE PERHAPS IS A
3 RESPONSIBLE PARTY WHO IS JUST EITHER UNWILLING
4 OR HAS MANAGED TO EVADE US LONG ENOUGH TO DO
5 THAT. AND MAYBE THAT MEANS THAT WE PURSUE THEM
6 FIRST, AND ONLY USE THE 2136 AS A BACKUP IN
7 THOSE PARTICULAR SITES. SO, WE COULD CERTAINLY
8 COME BACK AND HAVE SOME MORE DISCUSSION ON THAT
9 ISSUE AS WELL.
10 MEMBER ROBERTI: YOU'RE SAYING THAT THE
11 AUTHORS THAT HAVE WRITTEN US HAVE SAID THAT
12 THEIR ORIGINAL INTENT WAS TO CLEAN UP RATHER
13 THAN FOR THIS AGENCY INITIATING THE CLEANUP AND
14 THEN SUING.
15 KATHRYN TOBIAS: MY RECOLLECTION WAS THAT
16 THE EASTIN BILL WAS NOT -- IF
17 DOROTHY WAS HERE -- I BELIEVE THAT'S WHO IT WAS
18 -- AND MY UNDERSTANDING -- I WAS NOT HERE AT
19 THE TIME, BUT DOROTHY WAS EITHER WORKING ON IT,
20 OR IN THE LEGISLATURE OR SOMETHING -- AND
21 BASICALLY THE INTENT WAS THAT THERE WERE SITES
22 AROUND THE STATE OF CALIFORNIA THAT WERE
23 CAUSING PUBLIC HEALTH AND SAFETY IS SUES, AND
24 THAT WE EITHER -- YOU KNOW,. THAT AT THE TIMES
25 THE LOCAL AGENCIES COULD NOT FIND THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

LANDOWNERS, OR THAT WE NEEDED TO CLEAN THEM UP FIRST AND THEN DECIDE IF THERE WAS A RESPONSIBLE PARTY, AND THEN GO AFTER THEM. SO I THINK THAT THERE IS -- YOU KNOW, OVER THE YEARS WHERE WE'VE HAD SOME EXPERIENCE NOW, MAYBE WE NEED TO DIVIDE THESE SITES UP AGAIN IN A DIFFERENT WAY, IN THE SENSE OF SITES THAT HAVE -- WHERE WE REALLY DON'T HAVE A RESPONSIBLE PARTY THAT IS THERE, TO THE RECALCITRANT PARTY WHO SIMPLY HAS REFUSED TO CLEAN IT UP BUT PERHAPS HAS ASSETS SOMEWHERE, TO THE THIRD GROUP, WHICH IS THEY HAVE THE ASSETS, IT'S JUST GOING TO BE DIFFICULT TO GET THEM, AND SHOULD WE BE CLEANING UP THEIR PROBLEM. AND I THINK THAT'S CERTAINLY SOMETHING WE COULD SPEND SOME TIME ON. MARGE, I DON'T KNOW IF YOU WANT TO....

MR. WALKER: PART OF THE POLICY ISSUE FOR SITE PRIORITIZATION, WE ARE ALSO GOING TO LOOK AT PRIORITIZING AND DELINEATING WHETHER IT -- IS IT A NO-RESPONSIBLE PARTY SITE, IS IT A UNABLE, OR IS IT AN UNWILLING, AND THEN LAY THAT OUT. AND THAT WAS PART OF WHAT WE WANTED TO INCLUDE NEXT MONTH IN THE POLICY ITEM.

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 I JUST WANT TO ADD ONE THING,

2 THOUGH. WE ARE GETTING -- WE ARE GOING TO

3 START GETTING BACKLOGGED HERE, BECAUSE WE GOT

4 SOME SITES THAT -- YOU KNOW, THERE'S SOME LOCAL

5 AGENCIES THAT ARE GOING TO START PRESSING FOR

6 US TO CONSIDER ALSO. AND I JUST WANTED TO ADD

7 THAT TO JUST LET YOU KNOW THAT WE MAY BE

8 GETTING SOME REQUESTS IN, IN THE MEANTIME.

9 MEMBER JONES: MR. CHAIRMAN?

10 CHAIRMAN PENNINGTON: MR. JONES.

11 MEMBER JONES: I'M TRYING TO AVOID THE

12 INEVITABLE BOX. WE HAVE SEEN CLEANUP AFTER

13 CLEANUP THAT WAS REQUESTED BY A CITY WHERE THEY

14 HAD EITHER IDENTIFIED THE PARTY OR WHATEVER,

15 BUT ASKED US TO DO IT. AND THEN WE WERE

16 BARRAGED BY LEGISLATORS ASKING US TO HELP

17 FACILITATE THAT CLEANUP, AND THAT THEY WOULD

18 TAKE IT AS FAR AS THEY COULD.

19 WE'VE NEGOTIATED WITH THOSE

20 JURISDICTIONS THAT THEY DO COST RECOVERY, THEY

21 THOUGHT OUR CONDITIONS WERE TOO STRONG. WE

22 STILL NEGOTIATED AND SAID, NO, YOU DON'T GET

23 THE MONEY UNLESS YOU DO THOSE THINGS.

24 YET WE'RE WILLING TO -- I'M

25 CONFUSED -- IF WE ARE WILLING TO CHANGE THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

PROGRAM NOW TO ONLY DEAL WITH ORPHAN SITES THAT POLLUTE, IN RESPONSE TO MY REQUEST THAT WE KEEP THE 45-DAY COMMENT PERIOD TO DEAL WITH COST RECOVERY, OR IF WE ARE GOING TO CONTINUE TO MANAGE THE PROGRAM THE WAY WE HAVE BEEN BUT JUST MAKE -- TAKE THIS ARGUMENT OF COST RECOVERY OUT EVERY ISSUE AND PUT IT INTO THE REGULATIONS.

IT JUST -- PM A LITTLE STUMPED, BECAUSE WE HAVE HAD SOME UNIQUE CLEANUPS COME FORWARD, AND I THINK WE VOTED FOR THEM EVERY TIME, AND THERE WAS ALWAYS SUPPOSEDLY A THREAT OF PUBLIC HEALTH AND SAFETY AND IT MADE SENSE. BUT IT SEEMS LIKE WE ALWAYS HAVE A STUMBLING BLOCK ON THE COST RECOVERY, AND I FEEL PRETTY ADAMANT THAT WE NEED TO AT LEAST DEFINE THAT A LITTLE BETTER IN REGULATION, BECAUSE I CAN’T SEE ABANDONING THE ENTIRE PROGRAM TODAY BECAUSE WE’RE GOING TO CHANGE THE WAY WE PLAY WITH IT.

MS. ROUCH: I’M MARGE ROUCH, IN THE SOLID WASTE CLEANUP PROGRAM, AND I’D LIKE TO JUST SPEAK TO THAT.

I WANT TO REMIND EVERYBODY HERE THAT SOME OF THESE SITES WE BRING TO YOU WITH NO INTENT FOR COST RECOVERY BECAUSE THEY’RE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 OWNED BY ANOTHER LOCAL AGENCY. SO
2 THERE'S A LARGE NUMBER OF THOSE SITES.
3 AND THEN THERE'S MATCHING GRANTS
4 WHERE WE KIND OF UNDERSTOOD THERE WOULDN'T BE
5 COST RECOVERY BECAUSE THE LOCAL AGENCY'S PAYING
6 50 PERCENT IN REAL DOLLARS, AS OPPOSED TO IN-
7 KIND SERVICES.
8 AND ANOTHER THING YOU MAY NOT BE
9 AWARE OF, SOME OF THESE LOCALS ARE DOING
10 SOMETHING TOWARD COST RECOVERY. AS AN EXAMPLE,
11 WE GAVE RIVERSIDE COUNTY, I BELIEVE, A $300,000
12 CLEANUP GRANT, AND THEY HAVE LIENED EVERY
13 SINGLE PROPERTY THEY HAVE CLEANED UP. WE HAVE
14 THE DOCUMENTATION IN OUR FILES.
15 50, THERE ARE SOME THAT ARE DOING
16 IT, AND THERE ARE SOME THAT AREN'T.
17 MEMBER JONES: THAT'S NOT MY ISSUE. I
18 UNDERSTAND THE MATCHING GRANTS, I EVEN
19 UNDERSTAND THE LOANS. AND I UNDERSTAND THAT
20 EVERYBODY THAT'S COME FORWARD HERE -- I THINK
21 BECAUSE OF THE PERSISTENCE OF STAFF AND THIS
22 BOARD, WE'VE HAD LOCAL AGENCIES HERE AND WE'VE
23 SAID ARE YOU GOING TO DO THESE THINGS, AND
24 THEY'VE SAID YEAH. SO WE DON'T DOUBT -- THIS
25 ISN'T AN ISSUE OF DOUBTING THAT WE'RE GOING TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 GET COST RECOVERY.

2 I THINK WHAT WE'RE -- WHAT MR.

3 FRAZEE AND I ARE TALKING ABOUT IS MAYBE

4 DEFINING SOME OF THE STEPS, OR CLARIFYING THE

5 STEPS IN REGULATION TO MAKE SURE THAT WE ARE

6 DOING WHAT WE HAVE TO.

7 I UNDERSTAND THERE ARE SOME THAT

8 DON'T FALL INTO THIS CATEGORY. BUT I DON'T

9 WANT TO EXCLUDE THOSE THAT DO FALL INTO THIS

10 CATEGORY BY NOT HAVING PROPER BACKUP FOR YOU TO

11 FALL BACK ON AND BE ABLE TO SAY, LOOK, IT'S

12 PART OF OUR REGS, THIS IS WHAT WE HAVE TO DO,

13 AND IF YOU DON'T FILL IN -- IF YOU CAN'T DO

14 THAT, THEN THIS PROPERTY ISN'T GOING TO BE

15 CLEANED UP. THAT WOULD BE A TOOL FOR YOU.

16 MS. ROUCH: WHEN WE ORIGINALLY WROTE

17 THE REGS, THE FIRST GO-ROUND QUITE A WHILE

18 BACK, WE HAD PROPOSED TO PUT IN THE COST

19 RECOVERY LANGUAGE FROM TOXICS, DEPARTMENT OF

20 TOXIC SUBSTANCE CONTROL REGULATIONS, AND WE

21 WERE TOLD WE COULDN'T DO THAT BECAUSE OUR LAW

22 WON'T SUPPORT THAT. I'M NOT -- NOW, THIS IS

23 LEGAL STUFF AND I DON'T REALLY UNDERSTAND ALL

24 THAT. BUT, I THINK THAT WE HAVE SOME

25 LIMITATIONS FOR COST RECOVERY LANGUAGE, AND I

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 CAN'T SPEAK TO WHAT IT IS.

2 AM I RIGHT? SUZANNE, MAYBE YOU

3 COULD SAY SOMETHING TO THAT?

4 KATHRYN TOBIAS: WELL, I GUESS I'D LIKE TO

5 REITERATE WHAT I SAID BEFORE. AND I THINK THAT

6 THERE IS A FURTHER DISCUSSION WE CAN HAVE ON

7 THIS, YOU KNOW, BUT I THINK IT WOULD BE

8 WORTHWHILE BRINGING IT BACK WITH SOME ISSUES SO

9 THAT WE COULD KIND OF FOCUS.

10 I THINK WHAT WE'VE KIND OF TRIED TO

11 SAY TODAY IS THAT THERE ARE SOME DIFFERENT

12 CATEGORIES OF SITES THAT WE BRING FORWARD, AND

13 I THINK IT'D BE MORE HELPFUL IF WE HAD THESE

14 SITES PUT INTO THESE CATEGORIES FOR YOU, SO WE

15 COULD BASICALLY SHOW YOU WHAT'S GOING ON. SO I

16 THINK, SINCE WE'RE COMING BACK WITH A POLICY

17 ITEM ON THIS IN JANUARY, THAT THIS IS CERTAINLY

18 SOMETHING THAT WE COULD BRING FORWARD TO

19 DISCUSS.

20 I THINK THE BIGGER IS SUE FOR TODAY

21 IS, DUE TO SOME OF THE PRESSURES THAT I THINK

22 WE'RE DEALING WITHIN GETTING SOME 2136 SITES

23 MOVING, DO YOU WANT TO GO FORWARD WITH THE REGS

24 TODAY AND THEN WE COULD BASICALLY, IF WE NEEDED

25 TO, ADD SOMETHING TO COST RECOVERY LATER, WE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 COULD STILL PUT THOSE FORWARD JUST AS A
2 SEPARATE REG PACKAGE? OR, WOULD YOU LIKE TO
3 HOLD THE WHOLE PACKAGE TILL JANUARY?
4 BUT IT IS HOLDING UP SOME SITES, I
5 THINK IS WHAT SCOTT'S SAYING, SO.
6 MEMBER RHOADS: MAY I ASK A QUESTION
7 ABOUT THAT?
8 CHAIRMAN PENNINGTON: YES, MR. RHOADS.
9 MEMBER RHOADS: IT WAS MY UNDERSTANDING
10 THAT BEFORE THESE REGULATIONS WE WERE JUST
11 IMPLEMENTING THIS PROGRAM THROUGH STATUTE.
12 KATHRYN TOBIAS: CORRECT.
13 MEMBER RHOADS: ISN'T THERE ANOTHER
14 POSSIBILITY, THAT WE CAN CONTINUE DOING THAT
15 UNTIL THE REGULATIONS GET...?
16 KATHRYN TOBIAS: CERTAINLY. BUT I
17 THINK, IF I UNDERSTAND MR. FRAZEE AND MR.
18 JONES, THAT THEY'RE EXPRESSING SOME FRUSTRATION
19 THAT THE COST RECOVERY HAS NOT BEEN AGGRESSIVE
20 ENOUGH. AND SO I THINK WHAT THEY'RE SAYING IS
21 THAT DO WE NEED SOMETHING IN REGS THAT DIRECTS
22 THAT TO A GREATER EXTENT THAN TELLING THE LEGAL
23 OFFICE.
24 EXECUTIVE DIRECTOR CHANDLER: BUT EVEN IF WE
25 DID THAT,

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THAT WOULDN’T PRECLUDE US -- I THINK MR.
2 RHOADS’ POINT IS THAT WOULDN’T PRECLUDE US FROM
3 CONTINUING TO ALLOW JURISDICTIONS TO COME IN
4 AND AT LEAST APPLY, AS THEY’VE DONE IN PREVIOUS
5 YEARS, WHILE WE TAKE THE TIME TO ADDRESS THE
6 DETAIL THAT WE NEED IN THE REGULATIONS ON COST
7 RECOVERY.
8 KATHRYN TOBIAS: THESE REGULATIONS
9 CHANGE OUR PROCESS OF PRIORITIZATION, I THINK
10 IS THE POINT. AND SO RIGHT NOW WE’RE BASICALLY
11 TRYING TO GET THESE THROUGH --
12 MEMBER JONES: MR. CHAIRMAN, CAN I MAKE
13 A COMMENT?
14 CHAIRMAN PENNINGTON: YES, MR. JONES.
15 MEMBER JONES: I UNDERSTAND IT’S GOING
16 TO CHANGE THE PRIORITIZATION. BUT THAT’S BEEN
17 ANOTHER ISSUE AROUND HERE ABOUT PRIORITIZATION,
18 THAT IT’S USUALLY THE PRIORITY IS WHOEVER’S THE
19 LAST ONE THROUGH THE DOOR. SO AS LONG AS WE
20 KEEP THOSE KINDS OF PROGRAMS GOING I DON’T SEE
21 ANYTHING STOPPING. YOU KNOW? I MEAN, I
22 HONESTLY DON’T.
23 I THINK THAT - - I MEAN, I THINK WE
24 CAN GET THIS DONE IN A PRETTY QUICK TIME
25 PERIOD, BUT I -- YOU KNOW, WITHOUT STOPPING ANY

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 OF THOSE FROM COMING THROUGH. BECAUSE I'M NOT
2 SURE I -- I'M NOT SURE IT WOULD HARM IT.
3 MR. WALKER: CAN I MAKE A SUGGESTION?
4 MAYBE LEGAL CAN GIVE ME SOME FEEDBACK ON THIS.
5 WHAT IF WE HOLD THIS, THE FINAL 15-DAY COMMENT
6 PERIOD CHANGES UNTIL JANUARY, AND THEN WE COME
7 BACK WITH THE POLICY ITEM TO DISCUSS
8 PRIORITIZATION, AND THEN AT THE SAME TIME WE
9 REVISIT THE COST RECOVERY ASPECT TO SEE IF WE
10 COULD FIND SOME ADDITIONAL LANGUAGE TO IMPROVE
11 IT?
12 MS. NAUMAN: I JUST MIGHT ADD THAT
13 WE'RE UNDER NO OBLIGATION TODAY TO MOVE THIS
14 PACKAGE FORWARD. THE 45-DAY COMMENT PERIOD IS
15 FINISHED, AND AT SOME POINT WE NEED ANOTHER 15-
16 DAY COMMENT PERIOD FOR WHATEVER CHANGES YOU
17 CHOOSE TO PROPOSE THAT WERE NOT IN THE ORIGINAL
18 PACKAGE THAT CIRCULATED FOR THE 45-DAYS. SO
19 YOU CAN TAKE SOME TIME HERE TO FINALIZE THE
20 PACKAGE, AND THEN WE'LL PUT ALL THE CHANGES OUT
21 AT ONCE FOR A FINAL 15-DAY REVIEW.
22 MEMBER JONES: THAT WOULD WORK FOR ME.
23 MEMBER FRAZEE: LET ME JUST INDICATE
24 THAT I AM NOT LOCKED IN ON DOING THIS IN THE
25 REGS. YOU KNOW, IF IT'S DONE, AND WE KNOW

Please note: These transcripts are not individually approved and reviewed for accuracy.

WE’RE GOING TO GET IT DONE IN A POLICY STATEMENT, I WOULD BE COMFORTABLE WITH THAT. BUT IT JUST SEEMS LIKE IT’S AN EVER-HANGING ISSUE, AND THIS WAS THE OPPORTUNITY TO MAKE A POINT ON IT.

I’M THINKING ABOUT -- AND I THINK I’M THE ONLY REMAINING BOARD MEMBER NOW WHO WAS HERE DURING-- IT WAS PROBABLY THE FIRST 2136 GRANT THAT THIS BOARD MADE, AND ALL OF THOSE KINDS OF CONDITIONS WERE IGNORED -- AND IT MAY HAVE BEEN BECAUSE IT WAS IN THE AUTHOR’S DISTRICT, IT MAY HAVE HAD SOMETHING TO DO -- BUT IT WAS THE LARGEST SINGLE GRANT UNDER THE 2136 PROGRAM THAT THIS BOARD HAS MADE. AND ALL OF THE COST RECOVERY, THE ORPHAN SITE, AND EVERYTHING ELSE WERE IGNORED IN THAT INSTANCE. AND THAT’S PROBABLY WHAT STARTED ME OFF DOWN THIS PATH.

MR. WALKER: I THINK THAT ONE WAS CASPER. A MATCHING -- THAT WAS A MATCHING GRANT TO MENDOCINO COUNTY?

MEMBER FRAZEE: PACIFIC STATE STEEL.

MR. WALKER: OH, PACIFIC STATE STEEL. THAT WAS IN DELANE EASTIN’S JURISDICTION, YES.

CHAIRMAN PENNINGTON: DO YOU WANT TO

Please note: These transcripts are not individually approved and reviewed for accuracy.

MAKE A MOTION?

MEMBER JONES: MR. CHAIRMAN, I'D LIKE US TO HOLD THIS THING. I'D LIKE US TO CONTINUE TO WORK -- YOU HEARD SOME DIRECTION FROM THIS BOARD -- IN THAT PERIOD OF TIME THAT IT'S BEING HELD, BEFORE WE -- AND I GUESS BRING IT BACK IN THE JANUARY 26 MEETING FOR THE 15-DAY COMMENT PERIOD.

CHAIRMAN PENNINGTON: WE DON'T NEED A MOTION FOR THAT.

MEMBER JONES: DO WE NEED ANY MOTION?

CHAIRMAN PENNINGTON: WITHOUT OBJECTION, WE'LL DO THAT.

MEMBER JONES: OKAY.

CHAIRMAN PENNINGTON: OKAY. THAT CLOSES THE PUBLIC HEARING PART OF THE MEETING. AND NOW WE MOVE TO THE FINAL ITEM, ITEM 29, CONSIDERATION OF ELECTION OF CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD OFFICERS. I HAVE A MEMORANDUM THAT I'D LIKE TO READ TO YOU ALL TO GET THIS DISCUSSION GOING. THIS IS TO MY FELLOW BOARD MEMBERS, AND IT SAYS:

"SINCE THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD IS WITHIN THE

Please note: These transcripts are not individually approved and reviewed for accuracy.

EXECUTIVE DEPARTMENT OF THE STATE, I BELIEVE THAT THE STATE'S GOVERNOR SHOULD HAVE THE OPPORTUNITY TO EXPRESS HIS WISHES ON WHO SHOULD HOLD THE POSITION OF CHAIR. THEREFORE, AFTER THE NOVEMBER ELECTION, I DECIDED THAT THE APPROPRIATE ACTION FOR ME WAS TO VACATE THE CHAIR SO THAT THE NEW GOVERNOR COULD HAVE HIS CHOICE AS CHAIR. WITH THIS IN MIND, I AM HEREBY RESIGNING MY POSITION AS CHAIRMAN OF THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD EFFECTIVE CLOSE OF BUSINESS JANUARY 29, 1999. THIS SHOULD GIVE THE NEW GOVERNOR ADEQUATE TIME TO MAKE HIS WISHES KNOWN TO THE BOARD. I ASK THAT THE BOARD FORMALLY ACCEPT MY RESIGNATION TODAY, AND SET JANUARY 6, 1999, FOR A SPECIAL BOARD MEETING TO ELECT A NEW CHAIR. I LOOK FORWARD TO CONTINUING SERVICE AS A MEMBER OF THIS BOARD. IT'S BEEN MY PLEASURE AND HONOR TO SERVE AS THE CHAIRMAN OF THE BOARD. I WISH TO THANK THOSE WHO ELECTED ME AND HAVE SUPPORTED ME IN THIS UNIQUE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 OPPORTUNITY. WE HAVE MADE SIGNIFICANT
2 PROGRESS IN MANY AREAS DURING THE PAST
3 THREE YEARS THAT I HAVE BEEN ON THE
4 BOARD, AND I LOOK FORWARD TO WORKING
5 WITH ALL THE BOARD MEMBERS IN THE
6 COMING PROCESS."
7 SO, I WOULD ASK THAT WE DO THAT. IF
8 YOU'D LIKE, I'LL MAKE THAT AS A MOTION. AND
9 MAYBE THE ONE GENTLEMAN HERE THAT VOTED FOR ME
10 AS CHAIRMAN COULD SECOND THAT MOTION.
11 MEMBER FRAZEE: I WILL DO THAT, YES.
12 CHAIRMAN PENNINGTON: OKAY.
13 MEMBER JONES: MR. CHAIRMAN?
14 CHAIRMAN PENNINGTON: MR. JONES.
15 MEMBER JONES: I THINK THAT THIS IS A
16 PRETTY CLASSY THING TO DO. I THINK THAT, ME
17 NOT BEING A POLITICIAN, I KNEW THAT WHEN THE
18 ELECTION HAPPENED YOU'VE GOT TO TURN THE KEYS
19 OVER TO WHOEVER THE BOSS IS.
20 BUT, I THINK ONE THING HAS TO BE
21 STATED PRETTY CLEARLY, AND IT'S SOMETHING THAT
22 ME AND MY INDUSTRY, IN THE INDUSTRY I CAME
23 FROM, FEEL VERY STRONGLY ABOUT, AND THAT IS THE
24 FACT THAT THIS IS AN INDEPENDENT BOARD, AND AS
25 AN INDEPENDENT BOARD, IT HAS A RIGHT TO VOTE ON

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 WHOEVER ITS CHAIR IS, OR VICE CHAIR.
2 AND I THINK THAT WHILE IT IS -- I
3 COULD NEVER BE CHAIR BY STATUTE, MR. RHOADS
4 COULD NEVER BE CHAIR BY STATUTE, I THINK THAT
5 IT'S NOBLE, AND I THINK THAT THE GOVERNOR WOULD
6 OBVIOUSLY HAVE SOME POSITIONS THAT HE'D LIKE TO
7 FILL HERE, AND I THINK THAT'S THE CASE. BUT I
8 THINK THAT IT'S -- WHILE IT'S A NICE STATEMENT
9 TO TELL THE GOVERNOR, LET US KNOW WHO YOU THINK
10 YOUR MEMBERS SHOULD BE -- OR, WHO YOUR CHAIRMAN
11 SHOULD BE, THIS IS AN INDEPENDENT BOARD.
12 AND I THINK THERE ARE SIX BOARD
13 MEMBERS THAT ARE GOING TO HAVE TO MAKE THAT
14 VOTE AND DETERMINATION AS TO WHO THE CHAIRMAN
15 OF THIS BOARD IS GOING TO BE. AND SINCE IT
16 ISN'T GOING TO BE A FEW OF US, BY LAW -- I MEAN,
17 IT'S JUST A NO-BRAINER TO ME.
18 BUT I THINK THAT THAT'S A VERY
19 GRACIOUS THING THAT YOU DID, AND I GUESS WE'LL
20 TAKE IT UP ON THE 6TH.
21 CHAIRMAN PENNINGTON: WELL, WHILE I
22 AGREE WITH YOU THAT -- AND BY STATUTE, IT IS
23 THE OBLIGATION OF THIS BOARD TO PICK ITS
24 LEADER, AND WHILE WE ALL WOULD LOVE TO THINK
25 THAT WE ARE TOTALLY INDEPENDENT, THE STATUTE

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 DOESN’T SAY THAT WE’RE INDEPENDENT, AND THE
2 TRADITION HAS BEEN THAT THE GOVERNOR HAS MADE
3 HIS WISHES KNOWN AS TO WHO SHOULD BE THE CHAIR
4 OF THIS.
5 AND, SO I THINK THAT THIS GOVERNOR,
6 WHILE OF ANOTHER PARTY THAN I AM, SHOULD HAVE
7 THAT ABILITY TO MAKE THAT. AND HE MAY NOT
8 CHOOSE TO DO THAT, AND THAT’S CERTAINLY UP TO
9 HIM. BUT I CERTAINLY FEEL THAT IT’S ONLY RIGHT
10 AND PROPER FOR ME TO STEP ASIDE AND LET HIM
11 HAVE THAT OPPORTUNITY, IF HE CHOOSES TO
12 EXERCISE THAT.
13 MEMBER FRAZEE: MR. CHAIRMAN, LET ME
14 FIRST INDICATE WHAT A PLEASURE IT’S BEEN TO
15 SERVE WITH YOU DURING THIS, AS YOU STATED,
16 THREE-PLUS YEARS. IT’S BEEN, I THINK, NEARLY
17 FOUR YEARS OF VERY GOOD TIMES IN THIS BOARD. I
18 THINK WE’VE MADE TREMENDOUS PROGRESS IN MOVING
19 ALONG THE PROGRAMS OF THE STATE, AND A LOT OF
20 THAT CREDIT GOES TO YOUR LEADERSHIP, AND I’M
21 SORRY TO SEE TIME IS COMING TO AN END.
22 BY THE SAME TOKEN, I, ALTHOUGH IT
23 WAS NOT MY SOLE MOTIVATION, IT WAS -- CERTAINLY
24 PLAYED A ROLE IN MY DECISION TO LEAVE THE BOARD
25 AT THE END OF FEBRUARY. I BELIEVE, AS YOU DO,

Please note: These transcripts are not individually approved and reviewed for accuracy.

1 THAT EVEN THOUGH I COULD HAVE STAYED ON THE
2 BOARD FOR ANOTHER TWO YEARS, NEARLY, I HAVE
3 CHOSEN TO LEAVE. AND PART OF THAT MOTIVATION,
4 AS I INDICATED, WAS TO GIVE THIS GOVERNOR AN
5 OPPORTUNITY TO FILL MY SEAT, AND MOVE AHEAD
6 WITH THE WILL OF THE PEOPLE OF THE STATE OF
7 CALIFORNIA.
8 CHAIRMAN PENNINGTON: THANK YOU, MR.
9 FRAZEE.
10 IF THERE ARE NO FURTHER COMMENTS,
11 WILL THE SECRETARY CALL THE ROLL ON THIS
12 MOTION?
13 THE SECRETARY: BOARD MEMBER EATON?
14 MEMBER EATON: AYE.
15 THE SECRETARY: FRAZEE?
16 MEMBER FRAZEE: AYE.
17 THE SECRETARY: JONES?
18 MEMBER JONES: AYE.
19 THE SECRETARY: RHOADS?
20 MEMBER RHOADS: AYE.
21 THE SECRETARY: ROBERTI?
22 MEMBER ROBERTI: AYE.
23 THE SECRETARY: CHAIRMAN PENNINGTON?
24 CHAIRMAN PENNINGTON: AYE.
25 MOTION CARRIES.

Please note: These transcripts are not individually approved and reviewed for accuracy.

AND WE'LL HAVE A MOMENT HERE FOR PUBLIC COMMENT, IF ANYBODY IN THE PUBLIC HAS ANYTHING TO ADDRESS US ABOUT. IF NOT, WE'RE ADJOURNED.

KATHRYN TOBIAS: MR. CHAIR, WE NEED A CLOSED SESSION. I'M SORRY.

CHAIRMAN PENNINGTON: OH, THAT'S RIGHT, I'M SORRY. WE ARE RECESSED, AND WILL ADJOURN FOLLOWING A CLOSED SESSION.

(WHEREUPON THE MEETING WAS ADJOURNED)

Please note: These transcripts are not individually approved and reviewed for accuracy.

I, DEANNE MEINBERG, do hereby certify;

That the proceeding was reported by me and was thereafter transcribed by computer under my direction into typewriting.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing proceeding and caption named, nor in any way interested in the outcome of the cause named in said caption.

Executed January 18, 1999, at San Rafael, California.

Deanne Meinberg

DEANNE MEINBERG

Official Reporter