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BEFORE THE INTEGRATED WASTE MANAGEMENT BOARD
OF THE
STATE OF CALIFORNIA

IN THE MATTER OF:)
)
CALIFORNIA INTEGRATED WASTE)
MANAGEMENT BOARD, REGULAR)
MONTHLY BUSINESS MEETING)
_____)

Business Meeting

COPY

TRANSCRIPT OF PROCEEDINGS

May 27, 1993

Riverside County Board of
Supervisors Chambers
4080 Lemon Street, 14th Floor
Riverside, California

Reported by: Laura Gullette
Job No. 5631

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APPEARANCES

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

MICHAEL FROST, Chairman
WESLEY CHESBRO, Vice Chairman
SAM EGIGIAN, Board Member
JESSE HUFF, Board Member
KATHY NEAL, Board Member
PAUL RELIS, Board Member

CATHERINE FOREMAN, Board Assistant

PUBLIC SPEAKERS:

<u>NAME</u>	<u>PAGE NO.</u>
DAVID MCELROY	03
LORI MOSS.....	12
BOB NELSON.....	19
WEINE WIQVIST.....	41
JOHN FANNING.....	68

1 CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

2 May 27, 1993

3 Riverside, California

4 9:30 a.m.

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

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CHAIR FROST: Good morning and welcome to the second day of the Riverside County Meeting of the California Integrated Waste Management Board.

I'd first like to thank the members of the Riverside County Board of Supervisors for allowing us to use their chambers today. I would also like to extend our appreciation to the staff of the county clerk's office for all their help and hospitality in the planning of our Riverside Board Meeting. We appreciate all of your help.

Now, could we first call the roll to establish a quorum.

BOARD ASST. FOREMAN: Board Members, Chesbro?

BOARD MEMBER CHESBRO: Here.

BOARD ASST. FOREMAN: Huff?

BOARD MEMBER HUFF: Here.

1 BOARD ASST. FOREMAN: Egigian?

2 BOARD MEMBER EGIGIAN: Present.

3 BOARD ASST. FOREMAN: Neal?

4 BOARD MEMBER NEAL: Present.

5 BOARD ASST. FOREMAN: Relis?

6 BOARD MEMBER RELIS: Here.

7 BOARD ASST. FOREMAN: Chairman Frost.

8 CHAIR FROST: Here.

9 Would any board members like to make any ex
10 parte announcements at this time?

11 BOARD MEMBER EGIGIAN: Mr. Chairman, I was
12 talking with Mr. Fanning this morning. He was trying to
13 help me with my golf game and other than that it was a
14 nice morning.

15 CHAIR FROST: Okay, thank you.

16 Today represents the Board's opportunity to
17 hear firsthand about the local programs and issues
18 related to implementation of the Integrated Waste
19 Management Act. Our Board has made it a policy to hold
20 at least half our monthly meetings each year in
21 different locations around the state, precisely because
22 we feel it is important to get direct feedback from the
23 people who are actually implementing the law.

24 We have four speakers today, one of whom
25 represents an international perspective. But our first

1 two speakers come to us as part of a program initiated
2 by this Board.

3 In 1992 the Board created the Recycling
4 Market Development Zones program, the first of its kind
5 in the nation which is devoted to encouraging industries
6 and businesses that promote recycling and re-use of
7 waste resources. The zones offered special incentives
8 to these businesses and helped to further promote the
9 goal of AB 939 to reduce waste by 25 percent in 1995 and
10 by 50 percent in the year 2000.

11 Our first speaker represents the Agua Mansa
12 RMDZ, which was one of the first to receive formal
13 designation by the Board. It is now my pleasure to
14 introduce Mr. David McElroy, the managing director of
15 the Riverside County Economic Development Agency.

16 Mr. McElroy.

17 MR. McELROY: Good morning, Mr. Chairman
18 and Members of the Board. I want to welcome you to
19 Riverside County and I also want to say up front that
20 your Commissioners and staff have been very helpful in
21 our efforts and I wanted to thank you. In case I forget
22 later on in my presentation, I just wanted to make sure
23 that I did that.

24 Riverside County Economic Development
25 Agency, along with the County of San Bernardino, the

1 City of Riverside -- and I understand that one of the
 2 city council people is on our agenda for later this
 3 morning -- and the cities of Colton and Realto joined
 4 together a number of years ago to form an enterprise
 5 zone designated by the State of California.

6 When your commission created the Recycling
 7 Market Development Zone we thought this would be a good
 8 tool to marriage up with our enterprise zone, and use
 9 that as some other incentive or an additional incentive
 10 to get companies to locate in an area that by definition
 11 has needed help. And we were successful at getting a
 12 designation from you in December of '92.

13 Since that time we've been very pleased
 14 with the relationship that we've had with the Integrated
 15 Waste Management Board staff, and even some of the
 16 Commissioners. And it's been very helpful for us in our
 17 efforts to develop that zone. I'll give you a couple of
 18 examples.

19 One that I don't have in my prepared
 20 remarks is I just talked with some folks yesterday.
 21 Your marketing effort on the program, the RMDZ program,
 22 is starting to pay some benefits. We now get calls from
 23 people that have been made aware of the program from
 24 your efforts and they want to look at the Recycling
 25 Market Development Zone. So even as late as yesterday

1 afternoon I had a call and someone said, Well we
2 understand you are an RMDZ, and the discussion went from
3 there.

4 Along similar lines, there's a company that
5 I think -- although my staff, Eileen Dalton prepared
6 these remarks for you. She had named the company, I
7 think I won't name them. You may be able to figure out
8 who it is. There's a company that has recently gotten
9 approval from you for a loan and they're a company that
10 is a good company. They are going to locate in an RMDZ
11 in another county, unfortunately, but as a result of
12 your marketing efforts the gentleman that runs that
13 company came out to our area, looked at the Agua Mansa
14 Zone, was favorably impressed with it but felt that his
15 needs were better met in another zone. And he's going
16 to locate his recycling business in that zone and we're
17 happy that he's going to do it..

18 But he did say that he was impressed with
19 what he saw in Riverside County and now he is going to
20 come back and locate another business in our enterprise
21 zone, that's not a recycling businesses but another one
22 of his businesses. So I want to thank you for that. We
23 got a spinoff of the marketing effort. It's not
24 directly RMDZ related but it helps our enterprise zone.

25 The two companies that we are working with

1 that you are aware of, one you've approved for a loan
2 and that's Tigon Industries. And they are a tire
3 recycler. I could tell you stories and maybe you'll
4 hear stories later that Riverside County particularly
5 has been involved in tire recycling and its different
6 aspects for a number of years. We know it's a problem.
7 We're happy that you are funding a company that intends
8 to do something about it. They are going to locate in
9 the City of Riverside portion of our zone, and we're
10 happy to have them and we've had a good experience
11 working with their company and your staff on the
12 incentives.

13 The second company is a company that is
14 called Golden State Converting. They are in the review
15 process right now, for you. Hopefully you'll see fit at
16 some point to approve their loan request. I think there
17 are some other issues there with their other financing
18 that's maybe slowing up the process, but I wanted to
19 just tell you real briefly that this company or a former
20 partner in this company, the County of Riverside has
21 actually worked with for a number of years.

22 We actually made an economic development
23 loan to that individual a number of years ago to expand
24 his converting business. It's not a business that was
25 located in our area of the enterprise zone, but in our

1 county. And for a number of years they expanded their
2 business and were able to employ a number of the county
3 Inland Empire residents. And so now they are looking at
4 a possible site in the Agua Mansa Zone in proximity to
5 our MRF. And we're happy that they're considering the
6 RMDZ and happy that you're considering loaning them
7 money.

8 I wanted to just briefly say two other
9 things. One is that we have had a good relationship
10 working with the Southern California Edison company on
11 their utility rate that they've expanded to the
12 enterprise zone. We've had a company that is in another
13 community in our county and not in the enterprise zone,
14 but we actually got their attention because of that
15 program, and they came and toured our zone. They are
16 not -- as it turns out, they are not a recycler but they
17 are a company that they had potential for using recycled
18 materials in their manufacturing process.

19 So I think that -- I know that from
20 personal experience from the Edison Company I am very
21 pleased with my relationship with them. And I think
22 they are doing a good job of marketing the RMDZ along
23 with their economic development rate, so I'm real
24 pleased with that relationship.

25 Finally I just wanted to say that we have a

1 number of companies in this area, some of whom are in
2 the zone. There's a wood waste company, a biomass
3 company. We're working with a composting company at
4 this time. I haven't been able to get a commitment from
5 them for a recycling RMDZ, but they have been looking.
6 So we've been very impressed with the level of activity
7 that's been generated from the RMDZ designation. It
8 helps us in our marketing efforts and we do a separate
9 marketing approach for the RMDZ and we have separate
10 brochures. We're generating a list of -- a more
11 comprehensive list of companies in the zone so that we
12 can assess whether they could use recycled materials or
13 if they're aware that there are recycled materials that
14 they could put into their manufacturing process.

15 And finally, in conjunction with our
16 enterprise zone meeting, we do have a monthly meeting of
17 our RMDZ, so it's something that we are involved in on
18 an ongoing basis.

19 And with that I would be happy to entertain
20 any questions.

21 CHAIR FROST: Thank you very much.

22 Mr. Relis.

23 BOARD MEMBER RELIS: Yes. I'd be
24 interested, Mr. McElroy, in terms of what kind of
25 communication do you have between your office, the

1 zones, and the Board of Supervisors? I know they are
2 aware of the zone, but do you make regular presentations
3 or are there progress reports?

4 MR. McELROY: Not to the Board of
5 Supervisors per se, but a board member -- in fact a
6 board member from our county -- happens to be the
7 chairman of the enterprise zone at this time and so she
8 has given a monthly presentation. We have a separate
9 agenda item on that enterprise zone, meaning that's the
10 RMDZ update, and so she gets that information on a
11 monthly basis. And hopefully the Board reads our
12 newsletter that my agency puts out, and we generally
13 have an RMDZ article or we try to make sure we have at
14 least one in there in each issue. So they do hear about
15 the RMDZ but, no, I don't make a formal presentation to
16 them on a regular basis.

17 BOARD MEMBER RELIS: And then just one
18 other question. On the Edison relationship, now it's my
19 understanding that Edison is now offering, what, a
20 favorable energy rate in the zone?

21 MR. McELROY: Yes, it is in the enterprise
22 zone. So those RMDZs that overlay an enterprise zone
23 are people who in terms of your enterprise zone would be
24 eligible for the Edison rate. If the company is a new
25 user to Edison and if they meet a certain criteria they

1 would be eligible for a favorable rate.

2 BOARD MEMBER RELIS: Well, give us an idea
3 of what the range of that benefit is.

4 MR. McELROY: Well it's a 15 percent
5 reduction of their utility bill over the first three
6 years of operation. So it's a substantial -- we meet
7 with our manufacturers all the time and one of their
8 biggest line items in their budget is their energy
9 costs. So it is a substantial savings to a company.
10 And I think that's important. I think the marketing
11 effort that the Edison Company is making is important,
12 and at least our local person, program manager for
13 Edison, Deena Hunter, has been very supportive with the
14 RMDZ and she does use that also in her marketing
15 efforts. So there's some synergism there with the
16 Edison rate and with the RMDZ, and I think it's a nice
17 match.

18 BOARD MEMBER CHESBRO: Mr. Chairman?

19 CHAIR FROST: Yes, Mr. Chesbro.

20 BOARD MEMBER CHESBRO: This may be a little
21 bit early in the process to ask this question since, you
22 know, there's not a lot of experience under the bridge
23 yet, but is there more that we could be doing or is
24 there more legislatively we could be supporting that
25 could help to move the zones efforts along?

1 MR. McELROY: Well I think there's
2 always -- there's always more.

3 BOARD MEMBER CHESBRO: Are there any
4 specific areas that you've noticed that may be where
5 you're not able to make progress because some piece is
6 missing or some --

7 MR. McELROY: Well, I guess one thing, you
8 know, in California we have the capacity to generate a
9 lot of materials that they can be recycled and re-used.
10 I know that your staff has gotten me using the term that
11 these are resources, resource material to use.

12 I guess I might like to have the Board
13 consider some target marketing in conjunction with the
14 local zones, where the local zones have given you a list
15 of companies that they feel -- or types of industries
16 that they feel are appropriate for their area. Then we
17 try to identify on a broader basis -- I'm thinking
18 nationally now -- companies that do use those materials.
19 They may not be located here in California now and we'd
20 like to get them near the source of the materials and to
21 use those materials.

22 So that's something that we, you know,
23 probably is in our long-term goals but -- you know, I
24 don't want to cry poor here but, as you know, our budget
25 situation has taken a downturn and our Economic

1 Development Agency's budget has been severely impacted
2 by that. So I don't feel we have the resources to do --
3 I don't feel we have the resources. Possibly with help
4 with your resources we might be able to do some target
5 marketing.

6 Thank you.

7 CHAIR FROST: Thank you, Mr. McElroy.

8 Now we have another RMDZ representative.
9 I'm pleased to introduce Ms. Lori Moss, who will report
10 on some of the activities in the Riverside County
11 Recycling Market Development Zone.

12 Ms. Moss.

13 MS. MOSS: Good morning. I've been invited
14 to speak on the newest California Recycling Market
15 Development Zone. The Riverside County Recycling Market
16 Development Zone was designated by your Board on April
17 28th, 1993. And I thank your Board for that
18 designation.

19 We believe that the Riverside County RMDZ
20 will be one of the most dynamic zones in California. I
21 would like to briefly highlight our zone and then
22 describe some of our current new business leads in the
23 zone.

24 The Riverside County RMDZ is comprised of
25 182,000 acres and an estimated 400,000 people. The zone

1 includes the cities of Blythe, Cathedral City,
2 Coachella, Hemet, Indio, Moreno Valley, Perris and San
3 Jacinto, and then portions of unincorporated Riverside
4 County. These jurisdictions have a combined resource
5 stream of over one million tons annually.

6 The Riverside County RMDZ is diverse,
7 expanding from western Riverside County to the Colorado
8 River. Due to the geographic vastness of the zone, each
9 jurisdiction markets their individual area and the
10 county ties the zone together under one marketing plan
11 umbrella.

12 The highlights of the zone are several:

13 1. Over the past two years the city of
14 Blythe has conducted required monitoring to be removed
15 from the South Coast Air Quality Management District and
16 into the newly-formed Mojave Air District. This would
17 be a major incentive for recycling manufacturers who
18 find difficulty complying with South Coast Air Quality
19 Management District regulations.

20 2. The cities of Perris and Moreno Valley
21 are both working on establishing material recovery
22 facilities which will provide feed stock to new
23 businesses in the zone.

24 3. Moreno Valley is committed to reducing
25 designated planning, engineering, and building plan

1 check fees under the control of the city for commercial
2 and industrial projects in the Recycling Market
3 Development Zone.

4 4. The cities of Indio, Coachella in
5 Riverside County were designated the Coachella Valley
6 Enterprise Zone in November 1991; therefore several
7 State Enterprise Zone Tax Credits and local incentives
8 are also available now Recycling Market Development Zone
9 businesses.

10 5. The Coachella Valley Association of
11 Governments and the Western Riverside Council of
12 Governments have formed specific committees and hired
13 staff to address AB 939. We consider this a major local
14 incentive because a client requesting specific curbside
15 information has a one-stop shop in both councils of
16 governments.

17 These are just a few of the unique
18 incentives over and above such zone-wide incentives such
19 as permit fast tracking and various loan programs. Many
20 of the Riverside County Recycling Market Development
21 Zone jurisdictions are working on siting businesses in
22 the zone. And I have some examples here:

23 1. The city of Blythe is working with the
24 user who would like to establish a MRF at the state
25 prison in Blythe.

1 2. Riverside County is working with a
2 Fortune 350 wastepaper recycler who will divert about
3 1500 tons per day of newspaper and mixed wastepaper.
4 The company is also looking at sites in Arizona. They
5 will employ 1500 people. The company expects to make a
6 site decision within about three months.

7 3. The city of Hemet is working with
8 Recycling Systems Inc. who is interested in locating a
9 manufacturing firm that will use covered plastic glass
10 and newsprint from curbside programs.

11 4. The Coachella Valley Enterprise Zone is
12 working with Tire Inc. from Lancaster who needs six to
13 ten acres for recycling tires into road base. They are
14 currently pursuing an RMDZ loan; and

15 5. Riverside County very recently is
16 working with another paper recycler who will recycle
17, 100,000 to 135,000 tons per year of mixed and other
18 category wastepaper into corrugated box board. The
19 company is looking at a 40-acre site in Mecca for their
20 Colmac Power Plant and will employ 60 people.

21 Finally, I'm happy to announce our first
22 Riverside County Recycling Market Development Zone
23 Meeting is being held tomorrow at nine o'clock at the
24 Riverside County Waste Management Department. Kristin
25 Yee will be our guest speaker at the meeting. She will

1 discuss the RMDZ loan program with government officials,
2 Chambers of Commerce representatives and local
3 businesses.

4 I would like to address Mr. Chesbro's
5 question on legislation if I may. I think the one piece
6 of legislation that would be very beneficial in
7 attracting businesses would be some sort of a sales tax
8 construction credit similar to that that was established
9 for Rebuild L.A. -- there's a construction sales tax
10 credit in that legislation -- because recycling
11 businesses are one of the -- probably the only
12 businesses that have intense construction and very high
13 value in their capital improvements because of the
14 machineries that they use. So that would be one benefit
15 to us if legislation of that type could be introduced.

16 And with that I'm available for any other
17 questions.

18 CHAIR FROST: Yes.

19 BOARD MEMBER RELIS: I just wanted to say
20 at the Palm Springs meeting -- before the Palm Springs
21 meeting I had a chance to tour for the zone, and I'm
22 very impressed with the work she and the zone group have
23 done. I know that we've got two critical paper projects
24 in that zone that would go a long way towards meeting
25 some of the demand for mixed paper that is the priority

1 material identified in our Market Plan and Strategy.

2 And the Board -- I don't know if all of you
3 are aware but the State of Arizona recently enacted a
4 law that exempts business from sales tax and from
5 construction. So we're competing in a way for the mill
6 citings with that can kind of advantage currently in
7 Arizona.

8 And where I think this particular area is
9 right for the kind of mills that we're looking at, and I
10 hope that if there is a legislative approach that can be
11 taken and that could be pursued because we are at a
12 competitive disadvantage at the moment. But I don't
13 think the mill decisions by any means are out yet; in
14 other words, we're still very much in the running. But
15 I do want to commend you for the excellent work, that
16 I've seen personally, and I know that you and your staff
17 have really been working hard at this. They've been in
18 touch with Trade and Commerce. There's been efforts to
19 fast track as much as that's possible.

20 MS. MOSS: Thank you.

21 One other advantage to the paper mills in
22 the Coachella Valley is the quality and quantity of the
23 water availability out there. So that's one reason why
24 they are looking at that area. And also that it's very
25 affordable.

1 BOARD MEMBER CHESBRO: What is the water
2 source? The groundwater.

3 MS. MOSS: There are several different
4 types. One of them that the large paper manufacturer is
5 looking at is canalling water. The source that the
6 smaller paper manufacturer, the cardboard manufacturer
7 is looking at is tertiary water from the nearby
8 treatment plant.

9 BOARD MEMBER CHESBRO: What is canal water?
10 That's water out of the Colorado River?

11 MS. MOSS: This has in the past been used
12 for irrigation purposes.

13 BOARD MEMBER RELIS: There's a huge
14 groundwater reserve there too. And you don't think
15 about when you're out in the desert but --

16 MS. MOSS: Thirdly would be groundwater and
17 then fourthly would be piped domestic water from wells.
18 So there's great potential out there.

19 BOARD MEMBER CHESBRO: Interesting, because
20 when you think of that part of the state --

21 BOARD MEMBER RELIS: They've got more water
22 than in any other part of the state, it seems.

23 BOARD MEMBER CHESBRO: And that's a
24 significant plus.

25 MS. MOSS: Thank you.

1 CHAIR FROST: Okay. Next we have another
2 representative from from Riverside County who serves as
3 the director of the Department of Waste Management. I'd
4 now like to introduce Mr. Bob Nelson.

5 MR. NELSON: Thank you for the opportunity
6 to say a few words to your board. We want to thank you
7 for coming to Riverside. We really appreciate your
8 taking the effort to come out here and see us, our local
9 conditions. We also want to thank your board for the
10 two Recycling Market Development Zones that have been
11 approved in Riverside County. We do have high hopes for
12 them and we just heard a good report on them.

13 I'll try to do this quickly. The county,
14 as you may or may not know, operates all of the disposal
15 systems in Riverside County. There are 13 landfills and
16 two transfer stations, and one of those 13 is privately
17 owned and operated under an extensive contract with the
18 county. We run the gate at that site at the El Sobrante
19 Landfill and have the contract then with Western Waste
20 Industries. The other 12 are run by the county.

21 Our county has been hit with a downflow of
22 income from landfills, like I believe you're hearing
23 statewide, due to the economy primarily. We have about
24 1.8 million tons a year that were coming into the
25 landfill in 1990; that's dropped to about 1.3 million,

1 but we're 26 to 30 percent down from what we were two
2 years ago. Some of that is due to recycling efforts,
3 some of it's due to the rapid increase in rates that
4 we've had over that period of time, but a lot of it is
5 also due to the economy.

6 Our rates when I started in this business
7 with the county five years ago was \$6.50 a ton and those
8 will be \$34.50 a ton in about five weeks from now. So
9 we've taken a lot of heat in trying to get our rates up
10 high enough so that we can build up to the point where
11 we meet the increased regulations, both state and
12 federal and primarily now of course, as you know, the
13 Subtitle D rules. The current rate is \$31.50, it will
14 be \$34.50 in July.

15 We have during the past several years been
16 pursuing upgrading the landfills and re-permitting of
17 all of them to meet current standards, and out of that
18 group of 13 there are three that are left, one that
19 comes before your board in July and two that will follow
20 thereafter, and then finally we will have all of our
21 landfills up to current permit standards.

22 We are proceeding currently with two very
23 expensive Subtitle D lining projects. One is at the El
24 Sobrante Landfill and one is at the Badlands Landfill.
25 The county has completed closure of two landfills in the

1 last couple of years, one at Corona and one at Elsinore,
2 and we're going to bid on a third one this summer, on a
3 landfill right next to Riverside here, the West
4 Riverside Landfill.

5 You are well aware of the problems we have
6 run into in the Coachella Valley at the Coachella
7 Landfill due to some earthquake fault lines. That has
8 tremendously affected our planning in the Coachella
9 Valley. We are also doing studies at the Edom Hill
10 Landfill to see if that impact spreads to that landfill.

11 You are also aware, I believe, of the
12 massive rail-haul project that has been considered in
13 this county at Eagle Mountain. After a couple of years
14 of extensive debate and conditioning of that project our
15 board approved it in late '92 and it's now moving
16 through the permitting process by the State.

17 We think we're one of the leaders in the
18 state, as far as county goes, in the area of recycling.
19 We imposed curbside recycling on all of the
20 unincorporated county areas, which in a county of this
21 size is massive. About 30 percent of the waste is
22 collected in unincorporated areas, the other 70 percent
23 is in cities. We have that curbside program now in
24 place for about a year and a half. We've collected over
25 18,000 tons of recyclables through that process,

1 including used oil. This last year we estimate about 12
2 percent of the residential disposal was diverted through
3 that curbside program.

4 There are two composting facilities with
5 state Waste Facility Permits located in the county. One
6 is near the city of Corona and another near the city of
7 Cathedral City. A third facility on Indian land is
8 applying for a permit out in the Coachella Valley, and a
9 fourth facility is now going through the land use
10 permitting process here in the west end of the county.
11 It's a large company. I'm sorry to say that yesterday
12 our Planning Commission did not see fit to approve that
13 project, but it will be appealed on to the Board of
14 Supervisors, I believe quite soon.

15 BOARD MEMBER CHESBRO: Which project is
16 that one?

17 MR. NELSON: It was the Scotts Composting
18 Facility.

19 BOARD MEMBER CHESBRO: Called Scotts?

20 MR. NELSON: Scotts, yes. They have a
21 massive market system, and from our perspective we were
22 hoping that they would get sited after having struggled
23 like that.

24 BOARD MEMBER CHESBRO: So it's a company
25 with a market but not a site to produce the facilities

1 at this point?

2 MR. NELSON: We felt the site is
3 appropriate. But that's always subject to a lot of --

4 BOARD MEMBER CHESBRO: You mean the site
5 that's been approved by the local decision-making
6 process?

7 MR. NELSON: That's what they're going
8 through right now and it was turned down yesterday at
9 the Planning Commission.

10 BOARD MEMBER NEAL: What were their
11 reasons?

12 MR. NELSON: Well, I think it was
13 objections from neighbors, the potential for odor and
14 the potential for dust and that sort of thing. We have
15 problems with Santa Ana winds at certain times of the
16 year which are prevailing in the southwesterly
17 direction. And it's not an arbitrary issue, it is an
18 issue that needs to be considered. I think that, along
19 with neighbors worrying about this kind of project, led
20 to the conclusion that they did.

21 We have another concern, which I have
22 brought to attention of your Board at least on another
23 occasion and I would do so again today. We would like
24 your consideration and help in the area of marketing,
25 which I believe is one of your main focuses, dealing

1 with the area of wood waste.

2 As you know the original rules said you
3 can't count diversions to waste energy plants for wood
4 waste until you get past the 25 percent goal. We have
5 the situation, like I believe is the case in many other
6 places in the state, where there are biomass facilities,
7 meeting air quality rules in which they are pulling wood
8 waste off and already accomplishing significant
9 diversions for us.

10 We would like your help in getting credit
11 for that in the first 25 percent. We fully intend to
12 support composting programs but there is such a spread
13 in what they will pay versus what it costs to divert
14 wood one way versus the other, that without flow control
15 you have no way of controlling where that wood goes.
16 And so it goes to those facilities, we can't get our
17 hands on it and send it to the composters and get the
18 credit like we'd like to. And so for that reason we
19 would like your help in making sure the law either is
20 interpreted that way at this time or making regulations
21 or law changes that would interpret it that way.

22 CHAIR FROST: Could I ask a question. I'm
23 not sure I understood you, but are you saying that the
24 wood waste is -- the market for the wood waste is better
25 for a biomass facility than for composting?

1 MR. NELSON: Yes.

2 CHAIR FROST: So they get a higher price
3 for it at a biomass facility?

4 MR. NELSON: They'll pay you to bring the
5 wood to a biomass facility, whereas we pay someone else
6 to do composting. So there's like about a \$30 payment,
7 minus the cost to get it there of course, to a biomass
8 facility, and there's about a \$20 cost. So you've got a
9 big spread between what can happen in the real world
10 between the two options that we have.

11 CHAIR FROST: Why is that? I mean, it
12 would seem to me that -- we don't have biomass
13 facilities in the state and it seems we have a lot of
14 wood waste. Do you know why that would be the case?

15 MR. NELSON: Well those that have gone in
16 have a market for their electricity. They've probably
17 gone in under some of the rules that were in place
18 several years ago, which are no longer in effect, which
19 actually in effect subsidized those electric payments
20 and so they can afford to pay for the wood that's
21 brought to them.

22 And our county in this case fought this
23 facility on environmental reasons. We were concerned
24 about the air pollution like we always are with waste
25 energy plants. And we took them to court and finally

1 settled out of court. This was on Indian land, so they
2 were going to go under EPA rules. We finally persuaded
3 them to go under AQMD rules as part of the settlement
4 and decree to divert the wood to them. So we thought we
5 were doing the environmentally correct thing, but we are
6 now caught in this juxta-position of not getting credit
7 for those diversions.

8 BOARD MEMBER CHESBRO: May I ask, we've had
9 a written communication to the Board from a company,
10 White Feather Farms --

11 MR. NELSON: Yes.

12 BOARD MEMBER CHESBRO: -- with regards to
13 their attempts to divert green waste -- and it might be
14 wood waste, I'm not sure, for composting. And for the
15 most part this is a local issue, so I don't want you to
16 get the wrong impression. I'm not trying to -- I'm
17 asking the question because I want to understand the
18 context of diversion and credit in the issue that you've
19 raised. But they say that the county has shown
20 preference for the waste energy over composting, when
21 there is an available alternative that they've provided
22 to compost the materials.

23 MR. NELSON: To the extent they say that
24 that is true because our commitment to do this kind of
25 diversion was made about the same time that the AB 939

1 was passed, long before they ever came in for a permit.
2 And so the county's commitment to do that was made and
3 we have followed through on that.

4 BOARD MEMBER CHESBRO: Are you saying that
5 the county has a legal obligation under the settlement?

6 MR. NELSON: With the -- Company to make
7 the diversion.

8 BOARD MEMBER CHESBRO: This is a piece I
9 had not heard before.

10 BOARD MEMBER HUFF: They signed on to make
11 this just about the time that 939 said, You ain't gonna
12 get credit. So they did not anticipate, predict the
13 legislature.

14 MR. NELSON: Right. Unfortunately we got
15 caught in that. I believe the actual date of the
16 agreement was shortly after the law was passed. I
17 wasn't personally involved in it. Our board was
18 involved with the settlement, as well as the Coachella
19 Valley cities, and felt they were doing the
20 environmental thing in the settlement they came to, but
21 did not internalize what this law -- it had just been
22 passed and was going to perhaps impact on it.

23 So we have followed through with that
24 contractual commitment but it puts us in a real position
25 because the composer feels like we are undermining him.

1 We don't want to undermine him, we want him to succeed
2 too, particularly with the green waste, because the
3 Colmac facility does not really desire the green part of
4 it, the woody part.

5 BOARD MEMBER CHESBRO: Would it be possible
6 to have two different pathways for wood waste and green
7 waste and sort of have your compost too?

8 MR. NELSON: Yes. When we implemented the
9 agreement with Colmac we further -- instead of
10 committing to divert all of it, we said 30 percent has
11 to go to composting at the time the law comes into
12 effect -- January 1 of '95 -- for composting-type
13 diversions. So at least 30 percent of what comes to
14 them -- which is really the vines, they grind the wood
15 and green and the vines fall through -- and the 30
16 percent must go to composting by January 1, '95. That's
17 the way we implemented it.

18 BOARD MEMBER HUFF: But you want credit for
19 that going to Colmac prior to '95.

20 MR. NELSON: Yes. And in my discussions
21 with other agencies up and down the state, that's a
22 common request. I mean, even the folks in L.A. and
23 Orange County and around us are also finding their wood
24 products being hauled miles and miles and miles to these
25 facilities. Because there is a market. They will pay

1 you money for these products. Yes, you have to spend
2 money to get it there but it is a way to get some of our
3 recycling goals accomplished, and I think it's a fairly
4 common need that all of us have and we would like you
5 help in this.

6 BOARD MEMBER HUFF: Is there an
7 interpretation of 939 that you feel allows such a
8 credit?

9 MR. NELSON: We think the new law, and I
10 think it's 2494, is written in such a way which says,
11 Okay now we're going to count what's happening at your
12 landfills, a disposal-based county method. And in
13 talking with your staff however, the interpretation they
14 are still using is that -- no, the old law is what
15 prevails. And so I'm saying either we try to interpret
16 the new law that way or change the law or write
17 regulations that help the interpretation to turn out
18 differently.

19 BOARD MEMBER HUFF: Other than staff
20 interpretation have you secured legal interpretation as
21 to what the situation might be?

22 MR. NELSON: I haven't attempted to get a
23 legal interpretation. I think that in the final
24 analysis it's your board that's going to have to rule on
25 this and we don't want to have to fight it legally. We

1 would like to have you understand and consider that
2 issue on a statewide basis and assist local
3 government -- who have an awful hard time with flow
4 control on these products, we can't get our hands on
5 them. And so a big part of what we were all planning
6 would count for diversions because of the market tug
7 being so strong we can't make it go to composters.

8 BOARD MEMBER RELIS: Bob?

9 MR. NELSON: Yes.

10 BOARD MEMBER RELIS: I'd like to raise a
11 point here on this. You're saying that system-wide
12 you're looking at a per ton cost of about -- or a tip
13 fee of about \$34?

14 MR. NELSON: Yes.

15 BOARD MEMBER RELIS: Effective July or
16 thereabouts?

17 MR. NELSON: Yes.

18 BOARD MEMBER RELIS: Now according to
19 analyses I've seen, you ought to be able to bring a full
20 fledged composting system in at or below \$30 dollars a
21 ton.

22 MR. NELSON: Right.

23 BOARD MEMBER RELIS: So in other words I
24 think you're looking at competitive numbers with your
25 landfill option. And I realize there's a requirement

1 that they did, the boiler operators need -- I mean
2 they're desperate to get their input too, and they are a
3 competitive force there. But I think we're looking at a
4 compost number that's within your competitive framework.

5 MR. NELSON: And I don't disagree. I think
6 you're absolutely right. But the problem is it won't
7 come to us. If we could get that \$34.50 we could take
8 it to a composter and he would compost it for \$34.50.
9 The problem is that somebody next door to us will set up
10 for free. They'll say: Bring we your wood, I'll take
11 it for free, I'll grind it, I'll take it to this biomass
12 plant, and they will pay me 30-some-dollars a ton for
13 bringing it to them. And so we've got this huge spread
14 on material we can't get our hands on because of the
15 market tug that takes it away from us.

16 BOARD MEMBER RELIS: But you've also -- and
17 I recall the letter with White Feather and all that.
18 Didn't they say, Okay you've got your rates real low now
19 for the green waste coming in, the wood waste --

20 MR. NELSON: Yes.

21 BOARD MEMBER RELIS: -- and that is below
22 what they could -- they say they can operate at. They
23 can't compete with you now.

24 MR. NELSON: Right.

25 BOARD MEMBER RELIS: And you have lowered

1 that in order to make sure that material comes in to you
2 so you could anticipate getting the diversion, right?

3 MR. NELSON: Yes. We have tried to lower
4 it to a rate where we think they can survive, and they
5 have lowered their rates to the same rate that we have,
6 \$10 a ton. Our hope is to get some of that material and
7 divert it like we had committed to in the contract to
8 do, and also leave the green waste going to the
9 composter. But they would like us to keep the rate so
10 high that none of it comes to us.

11 BOARD MEMBER RELIS: Are you saying now
12 though that there is such a tug that literally the wood,
13 massive amounts of the wood are intercepted before they
14 come into the system?

15 MR. NELSON: That's right. And many of
16 which White Feather Farms doesn't see either.

17 BOARD MEMBER RELIS: I'd be very interested
18 in seeing documentation, having us take a look at it in
19 terms of what it does to the system and what its
20 implications are for composting.

21 MR. NELSON: We can -- I don't know if I
22 have specific data, but I can certainly round up what
23 I've got and try to help you understand.

24 BOARD MEMBER EGIGIAN: Mr. Nelson.

25 MR. NELSON: Yes.

1 BOARD MEMBER EGIGIAN: I was going to wait
2 until after your presentation, but since Mr. Chesbro
3 brought it up I would like to find out what the thinking
4 is to cut your fees at the landfill to \$10 for the green
5 waste, then at the same time have to raise it on the
6 other end to be able to survive in this business.

7 It's always been my feeling and opinion
8 that when private enterprise enters into a situation,
9 they have to do it on a basis of profitable or not at
10 all. This White Feather Farms was permitted and I don't
11 remember the county was against them being committed.
12 You talk about wanting a composting facility someplace
13 and you haven't been able to get it.

14 To me it seems like you're hurting yourself
15 by lowering the rate to \$10 on one end and raising it on
16 the other end. Basically what it's doing is knocking
17 out a company that came up with money to start a
18 facility that was needed in was county, and since
19 they've started the facility and gone through all the
20 growing pains of wanting to operate, now they're being
21 kicked in the teeth for doing this. And this is what I
22 don't understand about it.

23 MR. NELSON: It's certainly not our intent
24 to be doing that. There is another composting facility
25 in the valley which receives the green waste at \$7.50 a

1 ton. That's the one that's before you now for
2 permitting. It's at least at your staff level. I think
3 it's gone through the LEA and forwarded up to the State
4 because that's on Indian land. So they have that
5 competition as well as our rate of \$10 a ton. We had
6 this contractual commitment to try to draw wood waste to
7 us that could be diverted to the biomass facility, and
8 we did our best to try to divert some of that to
9 composting through the implementation of that agreement.

10 Our feeling is this: If we raise the rate
11 to \$34.50 a ton, like it is for the other material, then
12 the public system which must pay for all these liners
13 and closures and composting and any other projects that
14 need to happen, the public's system gets zero revenue
15 because it will then -- whoever sits outside our gate
16 will be in there at \$33.50 and they will take it all at
17 a rate that is still very, very high, probably higher
18 than it needs to be.

19 The public system gets zero dollars and
20 still we're stuck with these financial burdens plus the
21 contractual obligation that we had -- and was known to
22 White Feather Farms. They knew we were planning to do
23 it in way. So it's a problem.

24 BOARD MEMBER EGIGIAN: So what I'm
25 understanding is if anybody from this county comes

1 before the Board to get into that kind of business, that
2 we would be hurting the County of Riverside if we
3 concurred with their permit, because it would possibly
4 be taking it away from the county.

5 MR. NELSON: Well, I'm not saying that. We
6 do not have that kind of a commitment on all of the west
7 end landfills. That commitment was made only for the
8 Coachella Valley where the waste was close to Colmac and
9 it was felt it was a reasonable starting point for such
10 a commitment. We want you to issue permits for
11 composting facilities. In the long run I think we need
12 both outlets. I am saying that it would be helpful to
13 us and many other agencies if we could be assured of the
14 credit for the diversions to biomass facilities.

15 BOARD MEMBER EGIGIAN: Well I think that
16 Subtitle D is going to present you with greater costs
17 than just what you've planned on here. So I think that
18 you've got some problems.

19 MR. NELSON: Undoubtedly our future in
20 landfill tipping fees is still to unfold with much
21 higher rates. But it takes a long time and takes
22 tremendous political willpower to keep pushing that
23 higher and higher and year by year, which we have done
24 every year for the last five years. The rates around
25 us, L.A. County is lower because they are a more

1 efficient system, bigger landfills. San Diego is
2 assumed to be at \$45 a ton. San Bernardino County has
3 rates similar to ours. But we take tremendous heat on
4 what's going on with the rate structure.

5 The State -- recently on our land use
6 assessments in our little areas, the remoteness where we
7 can't have a system, we just can't afford it -- the
8 State did us a nice favor by sending everybody a notice.
9 If you are going to increase that assessment you must
10 send them a letter and tell them how much it's going to
11 be and when that public hearing is. And so we've got
12 that before us, coming up this next week in fact. In so
13 many ways, yes it's the right thing to do, but boy it is
14 tough on the local politicians to do what we're having
15 to do to these rules.

16 BOARD MEMBER EGIGIAN: Well, Mr. Nelson, I
17 don't think that there's a lot of people that are going
18 fight you on raising your rates because some people feel
19 that the rates must be high enough to justify the law
20 that we're trying to enforce right now.

21 MR. NELSON: It does help.

22 BOARD MEMBER EGIGIAN: I think you would
23 probably look good if you raised it up to \$100 a ton.
24 This is why it's so difficult sometimes to --

25 MR. NELSON: What we would like is for the

1 State to pass a law that that's the rate that we had to
2 have.

3 [Laughter.]

4 MR. NELSON: Then, you know, what you tell
5 us to do and what you help us to do would line up.

6 BOARD MEMBER EGIGIAN: Then in the meantime
7 you have those cities and states telling us it's costing
8 them too much money and now they're waiting for 1995 to
9 start to get rid of their landfills and burn this
10 material.

11 MR. NELSON: It's tough. And we're going
12 through a real tumultuous period of history here. It
13 will take us a while to get there. We just want you to
14 understand what we go through to try to do it.

15 BOARD MEMBER CHESBRO: Can I ask, Have you
16 considered making a distinction between the green waste
17 and the wood waste in trying to allow -- put an
18 incentive for your rate structure so there would be an
19 incentive for the green waste to go to the composter and
20 the wood waste to the power plant to cover your
21 obligations under that contract? Does that work?

22 MR. NELSON: We've considered it, however
23 the contract commits to attempting to divert both to
24 Colmac in Coachella Valley.

25 BOARD MEMBER CHESBRO: Well can you reach

1 the percentages or the tonnages that you are committed
2 to with wood waste?

3 MR. NELSON: There isn't a tonnage
4 commitment. It's just a fact that we will try to divert
5 both of these products, and that they will send 30
6 percent of the sum of those to composting, 70 percent to
7 the other.

8 BOARD MEMBER CHESBRO: They probably don't
9 care which one it is as long as they get -- I mean, if
10 they were going to get the same amount and it was coming
11 from wood waste instead of yard waste, I'm just trying
12 to figure out how you can have both.

13 MR. NELSON: There's far less interest in
14 the green. It just tends to foul up the system.

15 BOARD MEMBER CHESBRO: So it would be in
16 their interest too to get more wood waste and less yard
17 waste; is that correct?

18 MR. NELSON: Yes.

19 BOARD MEMBER CHESBRO: It just seems like
20 there's a solution out there. I don't know the numbers,
21 maybe the numbers don't add up, but conceptually it
22 seems like there's a potential solution where the power
23 plant can get its wood waste and composters can get
24 their yard waste and, you know, you can sort of cover a
25 lot of bases.

1 MR. NELSON: That's certainly something to
2 think about.

3 BOARD MEMBER RELIS: I think what's
4 interesting and important underlying this whole
5 discussion is -- and I think you've made the point --
6 it's the economics of the integrity of the public system
7 that's built and your ability to meet the health and
8 safety obligations, with the financial base being
9 splintered by diversions of the type described. And I
10 think that's probably a very important issue for the
11 Board to understand. I don't know what we specifically
12 could do about it, but it underscores the complexity of
13 a changing system --

14 MR. NELSON: Right.

15 BOARD MEMBER RELIS: -- when you have a
16 static or a growing financial obligation to meet closure
17 and postclosure and the monitoring requirements.

18 MR. NELSON: We're seeing these wood waste
19 diversions pop up all over. I mean, L.A. County, this
20 end of the county is doing it -- on the private end.
21 They're setting up here and there and everywhere. And a
22 big component of the waste stream which we thought we
23 were going to get our hands on and force to be composted
24 is gone.

25 And we just don't, you know, we don't know

1 what to do about it except to appeal to you and say,
2 Understand that and see if we can't get the regulations
3 to respond to the fact it isn't being landfilled, this
4 is what we were after, let's not penalize our local
5 agency because it happened in such an area.

6 The last point I wanted to make -- we kind
7 of got off the line a little here -- and that is that
8 the other thing going on in this county is that we are
9 seriously considering the formation of a sanitation
10 district to take over the Waste Management function.
11 It's still governed by the Board of Supervisors, but set
12 aside is -- and we're doing that specifically because of
13 the county general fund pressure that you certainly
14 understand on a statewide basis. The state's in
15 financial trouble, the counties are in terrible trouble
16 and the cities too.

17 In order to finance some of the facilities
18 that we're going to have to do, including closure and
19 liners, we are trying to set the sanitation district up
20 in a way which insulates the general fund from those
21 debt obligations that we believe we are going to be
22 faced with in the coming year or two and from there on
23 out in order to meet these needs. So that process is
24 also underway in this county.

25 That's all I have for comments. I

1 appreciate the opportunity to speak with you.

2 CHAIR FROST: Thank you very much.

3 Now our next speaker this morning is
4 unusual for us. It's the Attache of Science and
5 Technology for the Swedish Office of Science and
6 Technology in Los Angeles, Mr. Weine Wiqvist. He will
7 be providing us with a look into Swedish approaches and
8 efforts in waste management.

9 It's my pleasure to introduce Mr. Wiqvist.

10 MR. WIQVIST: Yes. I don't know whether it
11 would be possible to use the microphone over there while
12 I go over the slides?

13 [Slide Presentation.]

14 The background why I am here actually is
15 that I was appointed the Technical Attache by the
16 Swedish Government about one year ago and I happened to
17 work before this in the waste management business. And
18 what we are doing within the Swedish Technical Attache
19 Office, which is actually a part of the Swiss Consulate,
20 it's that we have tried to achieve connections between
21 the officials, researchers, companies, and so forth in
22 the United States and in Sweden.

23 And we are working in various technical
24 institutes such as synergy, environment, construction.
25 And there are also other offices in places like San

1 Francisco and Washington D.C. and in nine other
2 countries around the world.

3 And the background is that about in
4 November last year I visit Sacramento and I visit a
5 number of the agencies and authorities there and also
6 the Waste Management Board. I had meetings with a
7 number of your staff people there and we start to
8 discuss the similarities and the difference between the
9 approach in Sweden and in United States, specifically
10 California. And they asked me to come to this meeting
11 so that's why I'm here.

12 So what I will do is to very short-like
13 present a book about the Swedish waste management. And
14 that will take much of the day so I have to do it very
15 quickly, not more than 15 minutes or something like
16 that. So I hope you can read this, and there are -- I
17 have copies of these so you can have copies of that.
18 That's for what I am trying to talk about.

19 As you can see from this again it would be
20 about all the different issues, such as definitions
21 which is interesting. I will also talk a bit about the
22 legislation which is much more different in Sweden and
23 it might be interesting as a solution maybe for this
24 country. Also a little about the harmonization with the
25 European Economic Community, and then of course about

1 the practical issues, how to treat waste and why we do
2 it in this certain way, and so forth.

3 I'd like to start to introduce what I think
4 are the three what I call "hot issues" at the very
5 moment in our country. And first there's -- I guess now
6 we'll discuss a life cycle Bill, which I will describe
7 later on what the context of it. This is not a German
8 system, it's not a French system, it's not either a
9 Netherlands system. It's a Swedish system, of course.
10 But it's about the same trends in this new life cycle
11 bill, which has been discussed for about one and a half
12 years and I'm not sure whether it would finally be
13 decided as it looks right now.

14 Then I'll point about an interesting issue
15 that is also proposed on deregulation of hazardous waste
16 management. The thing is that the Sweden -- the
17 municipalities and the counties, they are actually
18 responsible for the transportation of hazardous waste
19 also from industry. Not in the way that they are doing
20 work actually, but they are having to have an overview
21 umbrella responsibility for that. And that is how we
22 discussed it be taken away, so it will be an issue,
23 industrial responsibility.

24 And then the third issue is about how to
25 define if waste could be defined as a biofuel more

1 suitable from a taxation point of view and could be more
2 widely used than it already is today.

3 And before I continue maybe I should say a
4 couple of words about Sweden as a country. I don't know
5 how many of you here in this room have been to Sweden
6 ever. Nobody? Okay. So therefore maybe I should tell
7 you a little about this country, which it's a small
8 country. It's a constitutional monarchy. We have a
9 king but he decides nothing, so to say.

10 [Laughter.]

11 But he is there and he has a very famous
12 wife anyway. And they are representatives for the
13 country also. Then we have a prime minister and he is
14 with a new government -- nowadays it's a conservative
15 government actually in Sweden for the first time in 60
16 years or something like that. And of course Stockholm
17 is the head capitol and we have about 9 million many
18 people, not very much if you compare, but as large as
19 about California actually, about that size. And there
20 are about 280 cities and municipalities. And we have
21 applied for membership within the European Economic
22 Community. And also with respect of the geography,
23 because of other people they like to think about Sweden
24 or Switzerland. Switzerland is here. It's much bigger,
25 as you can see, in the northern part of Europe.

1 And we rely very mainly about our paper and
2 pulp industry, also cars, steel, and pharmacephticals.
3 And then we have to import oil because we don't have any
4 oil. Actually Norway is a very big oil producer and
5 Norway used to belong to Sweden but actually that union
6 was broken up in 1970. And that wasn't a good idea --
7 from their point of view.

8 Sure. So I have had the opportunity now
9 for looking into the American way of doing waste
10 management and also the Swedish way, of course. And
11 what I have found in a way is not very peculiar but it's
12 interesting that there are at least three similarities.

13 I think the overall goals about how we
14 discuss things in Sweden and in this country and also
15 most western countries, I would like to say about refuse
16 recycling, et cetera, they are about the same. Though
17 the numbers and the percentages could be different, the
18 overall goals are the same. Also I think the handling
19 itself is very much the same; I mean collection,
20 incineration, landfilling, composting -- it's about the
21 same too.

22 And as a third issue, I think the interest
23 from the media's point of view is large also in our
24 country as I have noticed it is here. But there are
25 differences too, and some of the most important

1 differences I think are that in this country there are
2 very big differences between the different states. And
3 it's not the case of course in Sweden, because that's
4 like one state.

5 And then also I think that the legislation
6 procedure is much more complicated in this country than
7 maybe in California specifically. And also I notice
8 that the billing practices is very different because in
9 Sweden there's a usage charge system billed to every
10 house owner, and it has to be like that by law. I will
11 come back to that.

12 When you come to another country and you
13 start to compare different things like amounts and
14 definitions and things like that, you'll notice that
15 here are differences also there. And in Sweden we used
16 to talk about household waste, industrial waste and
17 hazardous waste, and I would like to say that to about
18 80 percent household waste is the same as you call
19 municipal solid waste. But there are some small
20 differences.

21 Also within the hazardous waste definitions
22 there are also differences. Here I have the pointed out
23 the amounts counted for the whole country, so there are
24 about 3 million tons of household waste. And the
25 industrial wastes, if you have noticed, are the wastes

1 all these grounds are permitted individually. So there
2 are no -- like for a regulations, say, as for example,
3 in an incineration plant you have to have that and that
4 emission standards, that and that as the emission
5 standards. They are all different, in all different
6 amounts, because that's the way it has been created.
7 That does not mean at all that they are especially high
8 in standards. I would like to say that they are very
9 low. But they are individually permitted. I think the
10 interesting thing with this is the type of umbrella
11 approach, which I think for the industry is very
12 appropriate and practical.

13 When it comes to responsibilities you can
14 say that the municipalities, they are responsible for
15 the collection and the disposal of household waste and
16 still also the hazardous, which means they should
17 arrange for these chemicals. They must not necessarily
18 do it theirself, of course, they can contract it out.
19 But they have to do it.

20 And then they can also voluntarily make up
21 a responsibility for industrial waste, but very few of
22 the municipalities have done that yet. And they also
23 have mandatory to make up municipal waste planning. And
24 that legislation has only been in place for two and a
25 half years. So a lot of municipalities are just making

1 up their waste planning activities.

2 One other thing that I listed originally
3 was the harmonization with the European Economic
4 community. You may think that this will cause Sweden
5 and other new members a lot of problem. I think it
6 won't. And that's because the -- within the -- you see,
7 it's like different directives you may have heard about
8 it for different issues. As for example, there are
9 especially directives for equipment waste handling. And
10 of course we have to follow them. But since Sweden is a
11 very industrialized country, what we also like to do is
12 as people say we should do, so we have already followed
13 most of these directives.

14 We used to say of those witnessed after
15 memory of the EEC, we think that Sweden already is one
16 of the most harmonized countries already, if you compare
17 to countries like Italy, Spain, and Greece, for example.
18 One of the principles within the EEC is that the waste
19 should be treated in each country as the first point.
20 If that isn't -- if for some reasons maybe it's not
21 possible, there are of course other options. But this
22 is one of the basic principles.

23 And that, it's of course no problem for
24 Sweden because we are quite a large country, but it
25 maybe create problems for countries like Belgium and the

1 Netherlands because they used to export waste at other
2 places in Europe. And you may have heard that the
3 Netherlands, Belgium, and former Western Germany, and
4 they used to export a lot of waste to East Germany. But
5 now that's a problem for Germany and they have all the
6 problem they exported before. But I think with respect
7 to the handling of the municipal solid waste, that won't
8 cause especially a problem.

9 And then there are like directives or the
10 regulations with respect to landfills and incinerators
11 and those directives has to be issued within this four
12 or five-year period. And normally they are like in the
13 same way as regulated in this country. They are like a
14 floor and then different countries could decide to have
15 a more stringent status if they like it.

16 Then I think I should continue to talk
17 about the handling in Sweden, and especially the
18 recycling activities and then interesting since Sweden
19 is -- as far as wood and the large paper and pulp
20 industry we have very high figures with respect to
21 recycling of newspapers and magazines. Actually from
22 the households almost 60 to 65 percent, which ranks
23 Sweden I think the second country in the world. And you
24 may think that if you have a lot of wood you'll be
25 throwing a lot of things away, but it seems to work the

1 other way.

2 And also I think that with respect to our
3 aluminum cans, it's quite a high rate, quite comparable
4 to what you have here in California, for example. And
5 then there are a long history of what you would call
6 refillable glass bottles with a high recycling content
7 of about 85 to 90 percent. That has been in place for
8 many, many years. And you are allowed to fill things,
9 fill, for example, beer and soft drinks in other things
10 than glass bottles. You can use aluminum cans, you can
11 use PET bottles if you like, but they are taxed in a
12 certain manner so it's not a good idea. And also people
13 have been used to use these systems so it has been
14 worked out very well, I think.

15 And then maybe will come more -- of course
16 there are some other types of glass bottle recycling and
17 there are refunds also on these wine and liquor bottles.
18 And just this year we started up a program in Sweden
19 with refund on the PET bottles. And in addition to that
20 there are voluntary battery collections that have been a
21 big issue in Sweden because, as I will tell you later
22 on, quite a large amount of the wastes are incinerated,
23 and then of course there will be problems with the
24 mercury content in the waste. However, we started
25 collection of like dry cell batteries, nickel-cadmium

1 and mercury batteries very early, and that has helped of
2 course.

3 But that is a voluntary program but most
4 municipalities are within the program, and they are
5 sharing the cost with the industry on that. And then of
6 course collection of the scrap metals like cars and so
7 on.

8 I told you in the beginning about this new
9 life cycle bill, and the thing about this is that it is
10 proposed that the manufacturers or the industry should
11 be responsible for the collection of paper and
12 packaging. And of course this is very much discussed in
13 Sweden today because we think that we have already a
14 very good working system, especially with the respect to
15 collection of paper. So a lot of people think what new
16 will that get, but nevertheless it's a proposal.

17 And here are -- I'm not intending to go
18 over all these figures because you'll have them in the
19 handout, but there are a lot of figures proposed about
20 the recycling rates with respect to glass bottles,
21 aluminum cans and PET bottles, and packaging materials
22 as well. And also some other materials such as plastic
23 and steel.

24 I think that this is, as you can see, a
25 different approach than that of Germany. It's a more

1 softer approach to the market, so to say. I think it's
2 a typical Swedish approach not to run away and do
3 something very expensive and very complicated and to
4 take it more easy and see what could work out and
5 incorporate it between the various parties. So actually
6 I think most of this actually we'll be deciding this
7 year, but it won't change very much in the actual
8 handling itself.

9 Also I think that I should mention that
10 most municipalities, I would like to say 95 percent of
11 the municipalities have some type of household hazardous
12 waste collection system and also yard waste collection
13 and separate collection of bulky items too. These
14 systems are not mandatory either. Most of the
15 municipalities have them anyway.

16 Finally we are approaching the waste
17 treatment scheme, and with respect to this municipal
18 solid waste stream about 45 percent of it goes to
19 landfill and 50 percent goes to waste-to-energy plant
20 and, yeah, a couple of percent to separation and
21 composting facilities. And the part with respect to
22 waste-to-energy has increased from 40 to 50 percent
23 during the last five years. So that has been the most
24 interesting happening in that field.

25 And I'm not sure whether it is the right

1 place to talk about waste-to-energy in California but
2 nevertheless there are about 20 plants in Sweden working
3 today and all plants are recovering energy, mainly by
4 means of district heating but also in some cases they
5 are producing electricity, like in cogeneration plants.

6 And especially during the last 20 years
7 there has been great improvements with respect to air
8 quality because all of ours now they have a very
9 advanced flue gas cleaning system with the acid cleaning
10 and so forth.

11 So I would like to say that the discussion
12 which was about five years ago about dioxins and mercury
13 and what I told you about the burning and other type of
14 work you could use for these type of activities, they
15 are not discussed at all today. Nobody are discussing
16 waste-to-energy as an air quality problem. Not either
17 the Environmental Society too, I would like to say.

18 I think also that in several other European
19 countries that there has been an awareness the last four
20 or five years that if eventually you should have, would
21 like to have a very basic system then waste-to-energy is
22 part of that system. Though it's not the one solution,
23 it's part of the solution.

24 I also like to say a little bit about the
25 organization. And, as I told to you, the municipalities

1 are responsible for the collection of household waste,
2 but you should notice that about 50 percent of that are
3 contracted out to private contractors. And also most of
4 the recycling activities are also contracted out to
5 private contractors.

6 When it comes to the waste treatment
7 schemes and facilities, there's a big difference to what
8 is in place in United States generally. Because 90
9 percent of the landfill sites are owned by
10 municipalities or by special county companies or special
11 districts or nonprofit corporations, or what you would
12 like to call it. But, I mean, companies controlled by
13 municipalities who are nonprofit.

14 And there are only a few sites in the area
15 around Stockholm which are private. Actually the
16 biggest private contractor in Sweden are nowadays owned
17 by the very big, you know, Waste Management. But they
18 are not so very big in Sweden today -- yet, maybe I
19 should say.

20 With respect to waste, the waste-to-energy
21 plants, they are owned totally by municipal power
22 companies or special municipal waste companies. There
23 are no private waste management processes in Sweden.

24 And then I'd like to round up with a few
25 figures about economics. And as I told you already, you

1 know there are users fees, have to be billed separately,
2 and that's a special goal, with a waste collection goal
3 we have to do that. And normally it's volume based.
4 You pay for a certain volume of your sack or your bin or
5 whatever it could be. There are some tries toward a
6 better weighing system but that's only already a try.

7 And finally an average household, they pay
8 about \$100 a year, including recycling, disposal,
9 collection and everything. So it's not very expensive.
10 But it's about the same amounts of money you pay in this
11 country too.

12 Okay so that's about that. And I would
13 very much like to answer any questions that you would
14 like to have.

15 CHAIR FROST: Okay. Ms. Neal?

16 BOARD MEMBER NEAL: I have a couple of
17 questions and I won't monopolize the whole thing.

18 MR. WIQVIST: I have to arrange some
19 papers. I brought with me a couple of these slides.
20 I'm not sure whether there are enough for all of the
21 people.

22 BOARD MEMBER NEAL: You mentioned a
23 redemption fee on certain cans and bottles. Were those
24 amounts in U.S. conversion?

25 MR. WIQVIST: Yeah, right. So it's

1 compared. It's about 10 cents for aluminum cans and 20
2 cents for a PET bottle. But I tried to convert it to
3 cents because probably you don't know very much about
4 Swedish coins.

5 BOARD MEMBER NEAL: If I read your chart
6 right, were you saying that paper and pulp was your
7 number one export for the country?

8 MR. WIQVIST: Yeah. That's one of our big
9 exports.

10 BOARD MEMBER NEAL: Where are your markets?

11 MR. WIQVIST: Yeah. The main markets are
12 in Europe. Of course very little of this material go to
13 the American continent. I would say 90 percent goes to
14 Europe.

15 BOARD MEMBER NEAL: When you were talking
16 about the manufacturers' responsibility law, I wonder if
17 you can just give us a little more experience on that --
18 what kind of opposition there was and how you were able
19 to get that into law and how its working.

20 MR. WIQVIST: Okay, yeah. The big
21 difference which would be the case if this bill will be
22 a law finally, is that the manufacturers, such as the
23 paper industry together with the distributors, they have
24 to arrange the collection system for paper, they have to
25 arrange the collection for old packaging material.

1 But in practice today I think that's not a
2 very big problem because, of course, they can go to the
3 municipalities or the municipal companies -- at least at
4 the startup activity -- to ask them if they can hire
5 that system, so to say, and then they will be
6 responsible to make it up. But of course they will be
7 responsible for the economics, and that's one of the
8 issues that these activities shouldn't burden the
9 taxation system or the solid waste users system at all.
10 It should be a part of the product price and not a part
11 of the solid waste stream price, so to say.

12 And there has -- originally there was a lot
13 of opposition from the industry, not at all, I would
14 like to say, from the municipal point of view. Because
15 of course they were more glad to be somebody else have
16 to solve the problem. So that's perfect. But also the
17 industry I think today they have accepted this bill as a
18 quite good alternative, though originally there was
19 discussion about much more like a German system and they
20 covered more or less everything which you'd put into the
21 waste stream. And I think most people in Sweden have an
22 opinion that would be to overkill.

23 BOARD MEMBER RELIS: A couple of questions
24 on the market side and the figures you presented. One
25 you're showing that 50 percent of the waste is

1 bottles and papers and all combined. All the original
2 waste, so to say. And, yeah, did I answer that
3 question? I think so.

4 BOARD MEMBER RELIS: Yes. What's your
5 projection, if you reach your goals, what will be the
6 overall national recycling rate?

7 MR. WIQVIST: The overall rate, if we reach
8 this goal will be something like 35 percent.

9 BOARD MEMBER RELIS: Thirty-five, okay.

10 MR. WIQVIST: And the goals are -- there
11 are no penalties. The ministry have said that if the
12 industry will not reach these goals in 1997 they will
13 try to establish some type of new system with more
14 regulations and more mandates. But it's like a goal
15 which the industry possibly will try to reach and if
16 they won't reach there will happen something. Nobody
17 know actually what will happen.

18 But I think that the -- if you look at the
19 figures there are different type of goals. Those who
20 are on the first pages are like it's -- it's not
21 mandates, but near it. And then on the second pages
22 they are more flexible because those are goals on
23 materials streams which are very little recycling today
24 on. So where you start with the recycling now, just a
25 few percent and of course it will take a couple of years

1 to create a collection system and also of course
2 marketing.

3 BOARD MEMBER CHESBRO: I have a question.
4 You mentioned the collection of the batteries. What's
5 done with the batteries? Is there any attempt to
6 recycle any of them or recycle the chemicals, or are
7 they disposed of in the landfills?

8 MR. WIQVIST: Yeah. Originally it was
9 planned to and there was a lot of research work to make
10 like mercury recovery, about this activity, especially
11 the smaller cells. But since there has been passed a
12 little legislation about one year ago, like a phase-out
13 of different metals, including mercury, then of course
14 why should you recover a metal that you are not allowed
15 to use? I mean, that's ridiculous. So that will have
16 been established like special landfills for this
17 material.

18 And they are -- yeah, they are mixed up
19 with the concrete and they are in a special container
20 and liner and everything. So it's almost like a nuclear
21 waste, not really, but in the same types of activities.
22 It has been a lot of discussion where to actually
23 landfill these materials but they have finally found one
24 site in Sweden so all of these collected batteries will
25 be placed in one place.

1 BOARD MEMBER RELIS: An economics question.
2 You presented overall, roughly overall, \$100 per ton per
3 year per household.

4 MR. WIQVIST: Yeah.

5 BOARD MEMBER RELIS: I find that difficult
6 to reconcile with the collection system that you've had.
7 I mean, an operating incinerator, operating landfill, at
8 high standards with the separate collection systems,
9 you've got -- either we're inefficient or you're
10 doing -- there's some other subsidies or financing in
11 the overall system. Because \$100 a ton would be
12 considerably below anything that I believe we're looking
13 at as an overall system cost.

14 Do you have any comments on that? Could
15 there be missing numbers from that?

16 MR. WIQVIST: No, I don't think there are
17 in there missing numbers. I would like to say that all
18 of these \$100 -- of course the conversion rate I've used
19 may play a joke with us because it's very complicated to
20 convert one thing from Sweden to United States. He has
21 to be using the commercial rate.

22 But if you look at the numbers, about what
23 a household would pay total, about 80 percent of that
24 are collection-related costs. Like, I mean, the normal
25 collection, maybe the recycling activities -- if they

1 are not covered by incomes and like the household
2 hazardous waste programs and things like that. And
3 about 20 percent are normally like treatment costs,
4 which is the landfill cost or waste-to-energy plant.
5 And the reason why the waste-to-energy plant can compete
6 with such a low rate, it's of course that they can use
7 the energy 100 percent throughout the year and they have
8 a market for that within the electricity or the district
9 heating system. And they got quite good paid I think.

10 BOARD MEMBER RELIS: So they are fully
11 integrated in the energy grid and they are a key part of
12 your energy system.

13 MR. WIQVIST: Right, right. For example,
14 in cities where the district heating system is very well
15 developed, maybe as many as 75 to 80 percent of the
16 total population of a city may be served by this
17 district heating system. And then about one-fourth or
18 one-third of that heating are coming from
19 waste-to-energy. Of course that's very efficient.

20 BOARD MEMBER EGIGIAN: Oh, I can understand
21 why the price is a lot less. You have a different type
22 of a government over there where the people that --
23 let's take one instance, where the people that want to
24 put a landfill is a government agency, going to another
25 governmental agency and getting their permits or however

1 they do it -- And I don't know whether or not they
2 involve the citizens in this. Can they get up and say,
3 we don't want a landfill? -- and the things that we have
4 to go through in this state that raises the cost of
5 doing it. Then they have a -- 50 percent, as I recall,
6 the collection is done by a company that's very
7 sophisticated, that's out of the United States and knows
8 how to handle the stuff at a lower rate. So that could
9 be very well possible because of two different types of
10 government and the various rules and laws and the
11 barriers that we have that they don't have. So I can
12 understand that.

13 BOARD MEMBER NEAL: Well I also wonder
14 if --

15 MR. WIQVIST: Can I make a come on to that?
16 Because I'm not sure that I really agree with you. I
17 don't think --

18 BOARD MEMBER EGIGIAN: You're the first one
19 that hasn't agreed with me.

20 [Laughter.]

21 MR. WIQVIST: I'm not sure that it's not
22 that very big different. And also I think that I have
23 personally tried to, and finally we succeeded to
24 establish new landfill sites in the southern part of
25 Sweden, and that took us 11 years. Eleven years from we

1 started to that we finally opened the gate to this
2 plant. And that, I mean, it's very complicated in
3 Sweden too. And I mean the environmentalists are very
4 active. So I think there are similarities in that area
5 too.

6 I don't feel that we are extremely
7 efficient or that you are extremely inefficient, I think
8 that it's about the same, I think, if you compare the
9 systems. It's very hard to do. The easiest thing would
10 be if somebody from your agency could come to one of our
11 like the municipal solid waste companies and look how --
12 what they are doing and how they operate, and I think
13 you will see then that the differences are not that very
14 big.

15 BOARD MEMBER NEAL: Yeah, I was just
16 wondering. I know you mentioned that your sites and
17 facilities are permitted on a case-by-case basis --

18 MR. WIQVIST: Right.

19 BOARD MEMBER NEAL: -- without uniform
20 standards regulations. Did I understand that?

21 MR. WIQVIST: Yeah, right.

22 BOARD MEMBER NEAL: And I'm wondering if
23 you could make some comparisons then to -- I mean we
24 have very stringent controls that we require,
25 environmental protections. And how do ours, which are

1 more uniform, compare to what's happening in Sweden on a
2 case-by-case basis? And I'm wondering -- if there are
3 some differences if that could also account for some of
4 the cost differentials that we're noticing.

5 MR. WIQVIST: I think the reason why that
6 you have this case-by-case system is that the people who
7 decide about these things -- the environmental law
8 board, so to say -- they produce the newest technology
9 the whole time. And whenever there arise a new
10 permission, the people who like to get this permission
11 they cannot point at an old site for the permission
12 before that and say, we would like to have that
13 permission. You cannot do that. So normally you get
14 more and more strict in permission the whole time.

15 And also then you re-permission. You have
16 to do a re-permission after eight to ten years, and then
17 you will have the new permission standards. And then it
18 continues the whole time. So if you compare, for
19 example, with respect to waste-to-energy and their
20 policy standards, I would like to say that all our 20
21 incinerators in Sweden are having more stringent
22 standards than one of yours in California. So that's
23 how it works out.

24 When it comes to landfill sites, I think
25 that the new regulations which are supposed to be

1 implemented, as far as my understanding, in October of
2 this year throughout the whole country, this Subtitle D
3 regulation. Of course all the double liners and so on
4 are not implemented in all places in Sweden because they
5 are old sites. But if you compare the standards with
6 landfills, I think that the operation of the landfills
7 are a little bit better here in United States than in
8 Sweden. I don't know, but basically I think because of
9 that you rely so much on landfill sites and also that
10 you have very big landfill sites and they are often
11 close located to where people live and so on.

12 So we have learned actually I think a lot
13 from the operation of landfill sites from your country.
14 And I think that also people from United States have
15 learned about how to operate a waste-to-energy plant in
16 our country. And that's one of the issues with our
17 agency.

18 BOARD MEMBER CHESBRO: Well, thank you very
19 much. This has been very informative. We appreciate
20 the opportunity to exchange this information and to hear
21 what you have to say.

22 MR. WIQVIST: Yes. I thank you for coming
23 here and being invited, and whenever you have questions,
24 please feel free to call us and ask us.

25 BOARD MEMBER CHESBRO: I understood that

1 Mr. John Fanning wanted to address the Board. We do
2 have to check out of the hotel by noon and not all of us
3 have checked out, so -- not that I expect you to talk
4 for all that time, but I wanted to mention that in the
5 process.

6 MR. FANNING: Point well taken, Mr.
7 Chesbro.

8 Members of the Board, welcome to Riverside
9 County. I did have a few remarks prepared with some
10 overheads on some ancillary issues that we're involved
11 with here in Riverside County, other than the LEA
12 activity in solid waste. So I will drop them off to
13 you.

14 But as a former member of the EAC and the
15 LEA for Riverside County, I have talked with a number of
16 our LEAs and directors that do appreciate you taking the
17 extra time and move all your staff and equipment to
18 other positions of the state and go talk to the local
19 people and hear what's going on.

20 And I would remind you that the reason that
21 Bob Nelson -- and I yielded some of my time to Bob for
22 him to express to you some of our issues -- our Waste
23 Management Department is the lead in the county for the
24 939 implementation and the oversight and coordination
25 for the task force. So what he has to deal with and

1 what we have to deal with here locally, I consider very
2 important for you to hear from him as well as us.

3 On the positive side, I think we're working
4 very well with your Santa Ana office down here and your
5 Redlands office. And we review -- and the LEAs are very
6 concerned in looking at the pending legislation that
7 comes out to really restructure and reorganize the Waste
8 Board.

9 However that plays out, rest assured that
10 those here in Riverside County in the LEA will be
11 available to do what we need to do to coordinate with
12 you so that the bottom line is the communities that
13 we're regulating and having to live in and deal with are
14 being managed in a reasonable and efficient fashion.

15 Did you have any questions that I could
16 address? In my golf game -- Sam, this is back to it --
17 I wasn't really giving him that many tips, I was
18 listening.

19 BOARD MEMBER CHESBRO: Any questions?

20 [No response.]

21 BOARD MEMBER CHESBRO: This concludes the
22 Board's formal session today. Once again, as the
23 Chairman opened with, I thank you very much and the
24 Board of Supervisors and their Riverside County staff
25 for hosting us and giving us this opportunity to meet

1 here.

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[Whereupon, the proceedings concluded.]

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CERTIFICATION

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

I, LAURA GULLETTE, hereby certify that the foregoing pages 1 through 70, inclusive, comprise a true and correct verbatim transcript of the proceedings as reported by me.

WITNESS my hand this 14th day of June, 1993, at Ventura, California.



LAURA GULLETTE