

**Hanson, Vicki**

---

**From:** Kelly, Marlene  
**Sent:** Tuesday, September 16, 1997 12:15 PM  
**To:** "CIWMB" All Staff  
**Subject:** September 15, 1997 Administration Committee

Committee action:

Item 1: Board Member Jones moved to forward the item to the full Board without recommendation. (2-1 vote) Not placed on consent.

Item 2: Board Member Jones moved to approve Contract Concept 27-WPM-RMDZ and 39-WPM-RMDZ. (3-0) Placed on consent.

Item 3: Board Member Gotch moved to approve Contract Concept 28-WPM-RMDZ. (3-0) Placed on consent.

Item 4 -- OPEN DISCUSSION: Board Member Gotch requested that the Board's Disaster Plan be reviewed monthly by the Policy Committee.

CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD  
8800 Cal Center Drive  
Sacramento, CA 95826  
(916) 255-2200

Monday, September 15, 1997  
1:30 p.m.  
meeting of the

**ADMINISTRATION COMMITTEE**

Daniel G. Pennington, Chairman  
Janet Gotch, Member  
Steven R. Jones, Member

**AGENDA**

- Note:
- o Agenda items may be taken out of order.
  - o If written comments are submitted, please provide 15 two-sided copies in advance of the Committee meeting and include on the first page of the document the date, the name of the committee meeting, the agenda item number, and the name of the person submitting the document.
  - o Public testimony may be limited to five minutes per person.
  - o Unless otherwise indicated, Committee meetings will be held in the CIWMB Hearing Room, 8800 Cal Center Drive, Sacramento, CA.
  - o Any information included with this agenda is disseminated as a public service only, and is intended to reduce the volume and costs of separate mailings. This information does not necessarily reflect the opinions, views, or policies of the CIWMB.
  - o To request special accommodations for those persons with disabilities, please contact the Committee Secretary at (916) 255-2151.

**Important Notice:** The Board intends that Committee Meetings will constitute the time and place where the major discussion and deliberation of a listed matter will be initiated. After consideration by the Committee, matters requiring Board action will be placed on an upcoming Board Meeting Agenda. Discussion of matters on Board Meeting Agendas may be limited if the matters are placed on the Board's Consent Agenda by the Committee. Persons interested in commenting on an item being considered by a Board Committee or the full Board are advised to make comments at the Committee meeting where the matter is considered.

Some of the items listed below may be removed from the agenda prior to the Committee meeting. To verify whether an item will be heard, please call Marlene Kelly, Committee Secretary, at (916) 255-2151.

1. CONSIDERATION OF SPONSORING AMERICA RECYCLES DAY
2. CONSIDERATION OF CONTRACT CONCEPTS FOR MARKETING THE RECYCLING MARKET DEVELOPMENT ZONES (RMDZ) FOR FY 97/98
  - A. RMDZ MANUFACTURING BUSINESS INVESTMENT FORUMS
  - B. RURAL RMDZ AND SMALL BUSINESS ASSISTANCE
3. CONSIDERATION OF CONTRACT CONCEPT AND APPROVAL TO AWARD A CONTRACT TO BOUTIN, DENTINO, GIBSON & DI GIUSTO FOR SPECIALIZED LEGAL SERVICES IN SUPPORT OF THE RECYCLING MARKET DEVELOPMENT ZONE REVOLVING LOAN PROGRAM
4. OPEN DISCUSSION
5. ADJOURNMENT

**Notice:** The Board or the Committee may hold a closed session to discuss the following: confidential tax returns, trade secrets, or other confidential or proprietary information of which public disclosure is prohibited by law; the appointment or employment of public employees; or litigation under authority of Government Code Sections 11126 (a) (1), (c) (3), (15), and (e), respectively.

For further information or copies of agenda items, please contact:

INTEGRATED WASTE MANAGEMENT BOARD  
8800 Cal Center Drive  
Sacramento, CA 95826

Patti Bertram, (916) 255-2563  
FAX (916) 255-2602

**NOTE:** BOARD AND COMMITTEE AGENDAS ARE AVAILABLE ON THE INTERNET. THE CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD'S HOME PAGE IS AS FOLLOWS:  
[HTTP://WWW.CIWMB.CA.GOV/](http://www.ciwmb.ca.gov/)

**CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD**

**ADMINISTRATION COMMITTEE**

**September 15, 1997**

**Agenda Item 1**

**ITEM: CONSIDERATION OF SPONSORING 'AMERICA RECYCLES DAY'**

**I. SUMMARY**

A wide range of industry and environmental groups are sponsoring a new event this year called America Recycles Day. This nationwide effort is designed to increase recycling and buy-recycled rates across the country, as well as recapturing media attention and public awareness of recycling, waste reduction, and buying recycled. The organizers are sponsoring events in California, and have asked the IWMB to support its efforts through a variety of means, including a \$5,000 financial contribution.

**II. PREVIOUS BOARD OR COMMITTEE ACTION**

None

**III. OPTIONS FOR THE COMMITTEE**

Committee Members may decide to:

1. Direct the Executive Director to allocate the \$5,000 requested by the organizers.
2. Direct the Executive Director to not allocate the \$5,000.

**IV. STAFF RECOMMENDATION**

Staff recommends that the Committee approve Option 1, recommending that the Board direct the Executive Director to allocate \$5,000 to the organizers of America Recycles Day.

**V. ANALYSIS**

The IWMB has significantly reduced its financial support of conferences and events because of the Board's ongoing financial situation. However, this event is a rare instance of industry, the environmental community, and government working together to promote public awareness of our waste diversion mandates. Among the sponsors are SWANA, the Steel Recycling Institute, the Environmental Defense Fund, U.S. Conference of Mayors, the Food Marketing Institute, US EPA, and Californians Against Waste. Staff believes a successful America Recycles Day could significantly assist the Board's public education efforts at a nominal cost to the Board, and that such partnerships are the best way to increase public awareness of the benefits of recycling.

Events are planned in many states, including at least two in California, in Southern California and the San Francisco Bay area. The Board has been asked to be a sponsor of the California events, and as part of that support has already taken several steps, including mailing information to local recycling coordinators and curbside collection managers and linking our homepage to the organizers' homepage. The Office of Public Affairs has been designated the Board's point of contact, and in addition Board Member Chesbro is a member of the California executive steering committee.

VI. APPROVALS

Prepared by: John Frith  Phone: 255-2296

Legal Review: N/A Date: \_\_\_\_\_

**CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD**

Administration Committee  
September 15, 1997

**AGENDA ITEM 2**

**ITEM:** CONSIDERATION OF CONTRACT CONCEPTS FOR MARKETING THE RECYCLING MARKET DEVELOPMENT ZONES (RMDZ) FOR FY 97/98

- A. RMDZ MANUFACTURING BUSINESS INVESTMENT FORUMS
- B. RURAL RMDZ AND SMALL BUSINESS ASSISTANCE

**I. SUMMARY**

This item presents two contract concepts, proposed to be funded from the Recycling Market Development Revolving Loan Account, to market the Zone program. One concept deals with investment forums for recycling businesses. The other concept deals with marketing assistance for recycling businesses in rural RMDZs.

**II. PREVIOUS COMMITTEE ACTION**

The Market Development Committee met on August 7, 1997, to consider the content of the two contract concepts. At that meeting, the Committee directed staff to modify the investment forum concept to require that an evaluation of the first two forums be completed prior to conducting the last two. With that change, the Committee approved the content of concepts, and directed staff to prepare the concepts for consideration by the Administration Committee.

**III. OPTIONS FOR THE COMMITTEE**

- 1. Approve staff's recommendation.
- 2. Disapprove staff's recommendation.
- 3. Modify staff's recommendation.

#### **IV. STAFF RECOMMENDATION**

Approve the following contract concepts for marketing the RMDZs for FY 97/98.

- A. RMDZ Manufacturing Business Investment Forums in cooperation with US Environmental Protection Agency
- B. Rural RMDZ and Small Business Assistance

#### **V. ANALYSIS**

##### **Background**

Following many discussions with Zone Administrators, loan committee members, and other interested parties, the need for additional Zone Marketing activities was identified. In order to solicit input on additional marketing activities, staff mailed out a request to RMDZ stakeholders and interested parties for specific contract concepts for marketing the RMDZ program (see Attachment 1). As a result of that mail-out, three responses were received that specified the type of activities that the contract concept should pursue (see Attachments 2, 3 and 4).

The Market Development Committee considered the written responses and comments received at its August 7, 1997 meeting. The committee directed staff to bring forward the following two concepts for consideration by the Board's Administration Committee.

##### **Summary of Proposed Concepts**

###### **RMDZ Manufacturing Business Investment Forums**

Staff is proposing a contract concept for RMDZ Manufacturing Business Investment Forums. This will encompass activities such as: identifying and working with businesses interested in seeking capital, arranging for the facilities, selecting and training businesses to solicit capital from potential investors participating in the forums and preparing a final project evaluation. With the concept, a total of four forums could be conducted. Initially two would be conducted, one in Northern California and one in Southern California. The locations will be based on where the recycling-based manufacturing business clusters are in relation to the financial community. Following a favorable evaluation of the first two, an additional two could be held.

A representative from US EPA mentioned at the Market Development Committee, that US EPA was contemplating conducting similar investment forums in Region IX which covers the western states and that they would be willing to partner with the Board and provide grant monies to conduct these investment forums in California. US EPA will be an appropriate partner in this endeavor due to their prior experience in conducting similar investment forums in other states and their expertise in identifying a suitable consultant/contractor to conduct these forums. Staff following Board approval of this contract concept will meet with staff from US EPA to develop an agreement to conduct the forums.

Staff's evaluation of investment forums conducted in other states indicates that the effectiveness of such investment forums is higher than a direct marketing approach in the form of mass mailings. Investment forums average a 10 percent effective response rate, while mass mail averages 2-3 percent.

**Rural RMDZ and Small Business Assistance**

Additionally, staff has recognized the need for specialized marketing efforts to promote the rural RMDZs. Rural zones face special challenges due to minimal economic activity, geographic isolation and limited infrastructure. Efforts could target smaller or higher value added enterprises with more direct marketing assistance. This concept specifically would provide marketing plan assistance to businesses in rural zones.

The proposed contract concepts will allow RMDZ staff and Zone Administrators to more effectively market the zones and to respond to increased marketing efforts as requested by the Zone Administrators.

Staff is seeking funding of \$120,000 for the investment forum concept and \$40,000 for the rural RMDZ marketing contract concept.

**VI. FUNDING INFORMATION**

The funds will be allocated from the Recycling Market Development Revolving Loan Account. Staff is seeking \$120,000 for the RMDZ Manufacturing Business Investment Forums contract concept, and \$40,000 for the Rural RMDZ and Small Business Assistance concept.

**Amount Requested in Item: \$160,000**

**Fiscal Year: 1997-1998**

**Fund Source:**

- Used Oil Recycling Fund
- Tire Recycling Management Fund
- Recycling Market Development Revolving Loan Account
- Integrated Waste Management Account
- Other -----  
(Specify)

**Approved From Line Item:**

- Consulting & Professional Services
- Training
- Data processing
- Other -----  
(Specify)

**Redirection:**

If Redirection of Funds: \$-----

Fund Source: -----

Line Item: -----

**VII. ATTACHMENTS**

1. Solicitation letter
2. Response from Materials for the Future Foundation
3. Response from the City of Chino
4. Response from the Gainer & Associates
5. Contract Concept No. 27-WPM-RMDZ
6. Contract Concept No. 39-WPM-RMDZ
7. Resolution No. 97-436

**VIII. APPROVALS**

Prepared By: Raffy Kouyoumdjian *RK* Phone: 255-2614

Reviewed By: Mindy Fox *MF* Phone: 255-2440

Reviewed By: John D. Smith *JS* Phone: 255-2413

Reviewed By: Caren Trgovcich *CT* Phone: 255-2320

Reviewed By: Gary Arstein-Kerslake *GAK* Phone: 255-2275

Legal  
Review: *AB*

9/18/97 11:30



Pete Wilson  
Governor

James M. Stroc.  
Secretary for  
Environmental  
Protection



CIWMB

April 29, 1997

California  
Environmental  
Protection  
Agency

Dear Zone Administrator and Other Interested Parties:

**SUBJECT:** RMDZ Marketing Contract Concepts

The California Integrated Waste Management Board (CIWMB) is considering contract concepts for fiscal year 1997 and 1998 for the purposes of marketing the Recycling Market Development Zone (RMDZ) program. In prior years CIWMB has contracted for: 1) development and placement of advertising material; 2) development and publishing of marketing brochures; and, 3) training classes for the RMDZ zone administrators. The purpose of this notice is to solicit approaches for the Marketing of the RMDZ program.

**Achievables:**

CIWMB staff will consider approaches to promote the RMDZ program amongst manufacturing businesses within California and the nation to help increase awareness of the program, its benefits, and the incentives available to businesses.

CIWMB staff will consider approaches that are likely to assist in identifying manufacturing prospects for RMDZ loans and increase loan demand based on loan programs objectives and criteria.

CIWMB staff will also consider approaches that are likely to increase the use of secondary materials by manufacturers as a result of expanding operations or converting from use of virgin materials.

**Timeline:**

The Board will be considering contract concepts during the summer of 1997. If you would like your approach to be evaluated by staff in preparation of presentation of contract concepts to the CIWMB, please submit your concept by May 23, 1997.

**Amount:**

No specific funding amount has been identified for this proposal. The dollar amount will be based upon CIWMB's consideration of approaches received.



.RMDZ Marketing Contract Concepts

April 29, 1997

Page 2

Please note: The selection of a given approach does not guarantee that the CIWMB will contract with the individual proposing it. It is likely that all contracts will be subject to the competitive bidding process.

If you have any questions or need further information, please do not hesitate to contact myself at (916) 255-2320 or Mr. Raffy Kouyoumdjian, of the Market Development Zone Program, at (916) 255-2614.

Thank you for your consideration and for your support of recycling based manufacturing in California.

Sincerely,

A handwritten signature in black ink, appearing to read 'Caren Trgovcich', with a long horizontal stroke extending to the left and a large, stylized flourish on the right.

Caren Trgovcich, Deputy Director  
Waste Prevention & Market Development

cc: Mr. Raffy Kouyoumdjian

# The Materials for the Future Foundation

PRESIDIO BUILDING 1016, SUITE 222 • P.O. BOX 29091 • SAN FRANCISCO • CA • 94129-0091

PHONE: (415) 561-6530 • FAX (415) 561-6474 • E-MAIL: [info@materialsforthefuture.org](mailto:info@materialsforthefuture.org)



Post-it® Fax Note	767:	Date	5/23/97	# of pages	3
To	CAREN TRGOVICH	From	KIVI LEROUX		
Co./Dept	CIWMB	Co.	MATERIALS for the FUTURE		
Phone #	916-255-2320	Phone #	415-561-6530		
Fax #	916-255-2222	Fax #	415-561-6474		

May 23, 1997

Caren Trgovcich, Deputy Director  
Waste Prevention and Market Development  
Integrated Waste Management Board  
8800 Cal Center Drive  
Sacramento, CA 95826

Dear Caren,

In response to your request for contract concepts for marketing of the Recycling Market Development Zones, the Materials for the Future Foundation is submitting a two-page proposal for two California Recycling Investment Forums. We believe that investment forums provide an excellent opportunity to bring together investors and recycling manufacturers, to heighten the financial community's interest in recycling businesses, and to highlight the value of the RMDZs and the loan program to both investors and recycling companies. We envision the RMDZs as being very active co-sponsors of the investment forums.

We believe this is an innovative approach to marketing the RMDZs to the financial and business communities. However, if you believe this concept is best pursued through some other mechanism, we would very much appreciate the opportunity to meet with you to discuss additional options.

Please feel free to call me or Coy Smith at (415) 561-6530 if you have any questions or comments.

Sincerely,

Kivi Leroux  
Program Director

cc: Paul Relis  
Wesley Chesbro  
Daniel Pennington

**California Recycling Investment Forums**  
**Proposed by the Materials for the Future Foundation**

**Introduction**

The Materials for the Future Foundation (MFF) proposes to conduct two California Recycling Investment Forums for entrepreneurial source reduction, recycling, composting and reuse companies (one in Northern California and one in Southern California). The Investment Forums will bring together a range of investors and financial institutions with promising firms in need of additional capital. By educating and connecting investors and entrepreneurs, new business start-ups and expansions will be more readily financed. The forum will help to address the inefficiency of the current capital markets for private equity and subordinated debt investment. By screening and publicizing companies to targeted investors and financial institutions, the forum will create an identifiable market for investing in entrepreneurial waste reduction ventures. With initial success, the forum could be repeated on an annual basis, becoming financially self sufficient through increasing levels of sponsorship and registration fees.

**Key Tasks**

- 1) Recruiting investment networks, associations, recycling market development agencies, and other organizations as project partners (Months 1-3)
- 2) Soliciting forum sponsorships from financial institutions, corporations, and governmental entities (Months 2-4)
- 3) Arranging forum site, date and logistics, perhaps in conjunction with an existing investment conference (Months 3-4)
- 4) Soliciting business applications and business plans from waste reduction businesses seeking additional capital for operations (Months 5-7)
- 5) Reviewing, selecting, and training business presenters with assistance from project partners (Months 7 - 9)
- 6) Recruiting registrants from a range of capital sources through investor networks, databases, organizations, and direct contacts (Months 2-9)
- 7) Conducting the Forum with high quality business presentations and waste reduction investment speakers (Month 10)
- 8) Evaluating the success of the Forum immediately with attendees and six months later with participating businesses in terms of additional capital raised (Months 10-16)
- 9) Assessing the potential for an annual Investment Forum, based on project evaluation and results (Months 10-12)

## Project Team

The Materials for the Future Foundation has well-established relationships with the organizations who have implemented investment forums in the Northeast and South. MFF will seek additional partners once seed funding for the event is secured. These may include several of the following financing organizations, many of which have already expressed interest:

- Business for Social Responsibility
- Environmental Business Cluster (in Silicon Valley)
- Business Environmental Network
- Progressive Asset Management
- Environmental Capital Network
- Investors' Circle
- Lenders for Community Development
- National Development Council
- Pacific Venture Capital Network
- Social Investment Forum
- The Capital Network

## Budget

MFF estimates a total project cost of \$53,000 for two forums. The costs could be off-set in the following ways:

- Registration fees charged to investors and participants, at \$100 per attendee
- Presenter application fees of \$25 - \$50 per company will be charged to assure company interest in the forum and to help cover application and business plan review costs
- Sponsorships from financial institutions, law firms, recycling corporations and other interested parties.

A detailed proposal and project budget can be provided upon request. For more information, please contact Coy Smith, Executive Director, or Kivi Leroux, Program Director, at (415) 561-6530.



EUNICE M. ULLOA

Mayor

GLENN DUNCAN

Mayor Pro Tem

LEO LEON  
BRUCE ROBBINS  
DENNIS YATES  
Council Members

GLEN ROJAS  
City Manager

## CITY of CHINO

May 12, 1997

Ms. Caren Trgovcich, Deputy Director  
Waste Prevention & Market Development  
California Environmental Protection Agency  
Integrated Waste Management Board  
8800 Cal Center Drive  
Sacramento, CA 95826

Subject: RMDZ Marketing Contract Concepts

Dear Ms. Trgovcich:

Regarding your request for marketing concepts or approaches, the following approaches have been effective in the Chino Valley RMDZ.

- **Establish relationships with the industrial real estate brokers in each Zone.** "Selling" the program to industrial real estate brokers gave us a very effective marketing tool because the brokers tout the RMDZ as an additional benefit of a Chino Valley location.
- **Use other groups to help market the program.** Examples include bankers, vendors of optimizers or machinery that processes waste materials, City Planning staff, the utility companies, and business owners who have already obtained RMDZ loans. Make sure they know and understand the program and can explain the benefits to manufacturers they encounter in the course of their operations.
- **Conduct a targeted direct mail or telephone marketing effort.** Use Dun & Bradstreet to determine the Standard Industrial Classification (SIC) code assigned to businesses that have already received Zone loans. Purchase a list of all California businesses with the same SIC codes and use this list for direct mail or telephone marketing.
- **Train Zone Administrators to use a "Jump Start" program to help businesses become aware of the RMDZ benefits.** The Zone Administrators can encourage local agencies to coordinate "Jump Start" meetings to help new and expanding businesses learn about the requirements, regulations, permits and procedures needed to relocate or expand their operations or the Zone Administrators could actually coordinate the meetings.



- **Establish and maintain an identity.** Traditional marketing activities such as attending industrial trade shows, placing print ads in appropriate periodicals, and preparing marketing materials are important adjuncts to the program. Delegating one or two people to represent the program nationally or statewide, who will establish personal relationships with key people in significant roles, can be very effective.

We look forward to your report on the approaches suggested by other Zone Administrators and we thank you for the opportunity to present our suggestions.

Sincerely,

*Janet Coe*

Janet L. Coe  
Zone Administrator

cc: Raffy Kouyoumdjian, Market Development Zone Program



# GAINER & ASSOCIATES

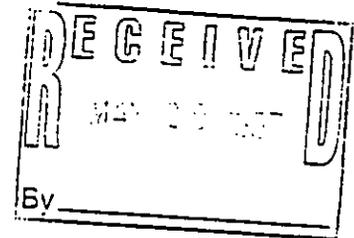
COMMUNITY DEVELOPMENT CONSULTANTS

■ Waste Reduction ■ Public Education ■ Economic Development

FAX

May 22, 1997

Caren Trgovcich, Deputy Director  
Waste Prevention & Market Development  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD  
8800 Cal Center Drive  
Sacramento, California 95826



Dear Ms. Trgovcich:

In response to your request for RMDZ Marketing Contract Concepts, I encourage the Board to consider an approach that emphasizes, encourages, and spearheads the concept of **INTEGRATION** to increase awareness of the program, its benefits, and the incentives available to businesses.

Integration has been a leading element in the approach Gainer & Associates uses in working with our local government and RMDZ clients. It has been our experience that lack of integration is often the weak link in a local program to promote recycling-based manufacturing and increasing industry awareness of what the RMDZ has to offer. When RMDZ services are not consistent with and integrated into other responsibilities and priority initiatives of local government, we see valuable business leads and opportunities fall through the cracks.

To increase the use of the RMDZ and strengthen its effectiveness, the approach should be to strategically integrate it into almost every function of local government. The following functional departments are the most obvious targets:

- Economic Development / Enterprise Zone / Redevelopment Agency
- Industry Retention & Expansion Program
- Community Development & Planning Department
- Public Works and Solid Waste Management Department
- Environmental Health Department
- Private Industry Council and Employment Training & Development Department
- Purchasing Department

When other local government agencies understand the relationship of the Zone/Loan program to their own primary functions, it increases efficiency and vital information exchange and referrals. Moreover, integration of the Zone program is the first step in institutionalizing the State's and local government's priority of retaining, attracting, expanding, converting, starting up, and assisting recycling-based manufacturing.

Beyond local government agencies, the RMDZ needs to be integrated into the priorities and information and referral services provided by local business associations, manufacturers

1630 27th Street, Arcata, California 95521 707/822-4448 FAX 707/822-4457

1230 Preservation Park Way, Suite 201, Oakland, California 94612 510/444-4945 FAX 510/465-4954

Page 2

groups and investors groups.

The organizational structure of each local Zone needs to be evaluated for its ability to integrate the RMDZ into other agencies and to tap other agencies' resources. We have found that some Zone organizational structures do not enhance this process of integration, but rather maintain the Zone activities as a separate function unto itself.

This simple process of integration requires in-service cross training initially. Later, the cross-department training can be followed up with written protocol for operations and on-the-job procedures.

Gainer & Associates would like to assist the Board's Zone and Loan Program staff in preparing and conducting this training to improve RMDZ integration. Please contact me, if you would like more information about this approach.

Sincerely,  
GAINER & ASSOCIATES



Margaret A. Gainer, Principal

The original copy of this letter has been sent in the mail.

**CONTRACT CONCEPTS  
FISCAL YEAR 1997-98**

**Concept Number: 27-WPM-RMDZ**

**Requesting Party:** Recycling Business Assistance Branch  
**Amount:** \$120,000  
**Fund:** RMDZ  
**Primary Staff Contact:** Raffy Kouyoumdjian 255-2614

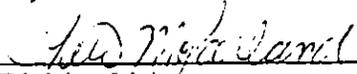
**Description:** This contract proposes to conduct up to four investment forums for California recycling-based manufacturing businesses. The US Environmental Protection Agency (EPA) has indicated the availability of grant monies for Region IX to conduct such investment forums. US EPA will be an appropriate partner in this endeavor due to their prior experience in conducting similar investment forums in other states and their expertise in identifying a suitable consultant/contractor to conduct these forums. Board staff is working with US EPA staff to formalize an agreement to obtain grant funding to maximize the effectiveness of these investment forums. Initially, two forums will be conducted, one in Northern California and one in Southern California. Following a successful evaluation of these first two, two additional forums will be planned. The goal is to bring investment bankers, venture capitalists, and financial institutions to meet with businesses that are in need of financing. The forums will include discussions on the special financing needs that recycling businesses have and what financial institutions, banks, and venture capitalists can offer to assist these businesses.

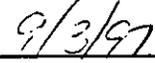
**Supports Board Mandate:** This contract would support the Board's market development efforts and the diversion mandates of AB 939.

**History:** Staff have been implementing the RMDZ program's two year marketing strategy approved by the Board in May 1996. Several of the marketing strategy's tasks have been completed and others are in the process of being undertaken. In order to receive input from the RMDZs and interested parties on how to market the RMDZ program, staff sent out a letter seeking contract concepts. There were three responses in total.

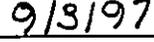
**Benefit to the Board:** The contract will help get the word out to the financial community regarding the Board's programs, specifically the RMDZ program.

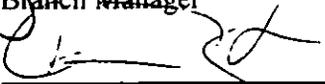
**Budget Process:** The \$120,000 budget was estimated on paying the contractor \$75.00 per hour for 800 hours to recruit businesses, financial institutions, bankers, and venture capitalists to the investment forums. This will include identifying locations, contracting for facilities and equipment. Developing presentation materials, printing, and mailing of such. Travel for contractor and other expenses pertaining for completing the project.

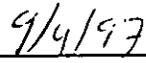
  
 \_\_\_\_\_  
 Division Liaison

  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Branch Manager

  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 Deputy Director

  
 \_\_\_\_\_  
 Date

**CONTRACT CONCEPTS  
FISCAL YEAR 1997-98**

**Concept Number:** 39-WPM-RMDZ

**Requesting Party:** Recycling Business Assistance Branch  
**Amount:** \$40,000  
**Fund:** RMDZ  
**Primary Staff Contact:** Steve Boyd 255-2446

**Description:** This contract proposes to locate and promote recycled product manufacturers in rural California Recycling Market Development Zones (RMDZs). The contractor would use the media, recycled material processors and brokers, local recycling coordinators, associations, and others to identify recycled products that need marketing assistance. Draft marketing plans would then be developed. Additionally, some portion of the contract would be used to enhance recruitment efforts into the rural RMDZs.

**Supports Board Mandate:** This contract would support the Board's market development efforts and the diversion mandates of AB 939.

**History:** Rural RMDZs face special challenges due to geographic isolation, limited infrastructure, and lower overall economic activity. As a result, the rural RMDZs have benefited less from the RMDZ loan program. Additionally, these RMDZs have benefited less from previous RMDZ marketing efforts due to their focus on retention and expansion of businesses existing in the RMDZs.

**Benefit to the Board:** This contract would enhance the functioning of the rural RMDZs and increase demand for diverted materials.

**Budget Process:** The \$40,000 budget was estimated on a minimum of 15 recycled product marketing plans being developed.

*[Signature]*  
\_\_\_\_\_  
Division Liaison

*9/2/97*  
\_\_\_\_\_  
Date

*[Signature]*  
\_\_\_\_\_  
Branch Manager

*9/2/97*  
\_\_\_\_\_  
Date

*[Signature]*  
\_\_\_\_\_  
Deputy Director

*9/2/97*  
\_\_\_\_\_  
Date

**California Integrated Waste Management Board  
Resolution No. 97 - 436**

**FOR CONSIDERATION OF CONTRACT CONCEPTS FOR MARKETING THE  
RECYCLING MARKET DEVELOPMENT ZONES FOR FY 97-98**

**WHEREAS**, the Board approved the Recycling Market Development Zone (RMDZ) Marketing Strategy Plan at its May 1996, meeting; and

**WHEREAS**, funds were made available in Fiscal Year 1995-1996 to assist the RMDZ Administrators; and

**WHEREAS**, no additional marketing funds has been made available to market the RMDZs; and

**WHEREAS**, the Zone Administrators have indicated the need to more effectively market the RMDZs thus increasing Loan Program activity; and

**WHEREAS**, the contract concepts 27-WPM-RMDZ and 39-WPM-RMDZ address the need for more effectively marketing the RMDZs.

**THEREFORE, BE IT RESOLVED** that the Board directs staff to increase the Recycling Market Development Revolving Loan Program outreach activities by conducting RMDZ Manufacturing Investment Forums and to provide direct marketing assistance to rural RMDZ small businesses, and hereby approves the discretionary contract concepts included in Attachments 5 and 6 of the item with any changes identified at the Board meeting for Fiscal Year 1997-1998.

**CERTIFICATION**

The undersigned Executive Director of the California Integrated Waste Management Board does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted by the California Integrated Waste Management Board on September 30, 1997.

Dated :

Ralph E. Chandler  
Executive Director

**CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD**

Administration Committee  
September 15, 1997

**AGENDA ITEM 3**

**ITEM:** CONSIDERATION OF CONTRACT CONCEPT AND APPROVAL TO AWARD A CONTRACT TO BOUTIN, DENTINO, GIBSON & DI GIUSTO FOR SPECIALIZED LEGAL SERVICES IN SUPPORT OF THE RECYCLING MARKET DEVELOPMENT ZONE REVOLVING LOAN PROGRAM

**I. SUMMARY:**

The Board loans Recycling Market Development Revolving Loan Subaccount monies for projects supporting recycling-based business development in the State's Recycling Market Development Zones (RMDZ). These loans are critical to the development of markets for recyclable materials and the treatment of solid waste as a resource.

The Board currently has a contract with Boutin, Dentino, Gibson & Di Giusto, Attorneys at Law, to provide assistance and consultative services related to the implementation and operation of the loan program. Doug Hodell of this firm has served as outside legal counsel for the program since its inception. Mr. Hodell developed all of the documentation that is currently being used to effectuate and close loans as well as provide services related to collection proceedings. He has also provided training and consultative services as needed. Continuing legal services are needed to assist staff with the loan program and to provide consultative services relevant to individual loans and sales of the loans on the secondary market or other financing options the Board may pursue. The purpose of this item is to obtain Committee approval of a contract concept for fiscal year 1997/98 for legal services pertaining to specialized legal services with the law offices of Boutin, Dentino, Gibson & Di Giusto, Attorneys at Law.

**II. PREVIOUS COMMITTEE ACTION:**

None.

**III. ANALYSIS:**

The RMDZ Loan Program was initiated in December, 1992, and began accepting applications for loans on February 11, 1993. During the initial phases of the program, Doug Hodell, who was at the time a member of the firm Carroll, Burdick & McDonough, provided continuous and reliable support for legal and loan program staff members. Attorneys from that firm drafted all the documents used for the program. Mr. Hodell has since moved to the firm Boutin,

Administration Committee  
September 15, 1997

---

Dentino, Gibson & Di Giusto, where he has continued to provide consultation services for the loans approved by the Board to date.

To ensure continuity of services and the continued success of the loan program, staff is requesting award of a contract with Boutin, Dentino, Gibson & Di Giusto, Attorneys at Law, for needed legal services for the 1997/98 fiscal year. The proposed contract amount is \$250,000. This estimate has been prepared in light of our experiences to date. Boutin, Dentino, Gibson & Di Giusto will continue to provide general consultation to staff regarding loan structuring, documentation and collateralization issues, will prepare and review loan documents as requested, and will supply assistance regarding postclosure monitoring and assistance with problem loans.

Given the specialized nature of the legal and financial relationships created by the administration of the revolving loan fund program, it is necessary to retain specialized expertise in assisting the Board staff with these services. Continued retention of outside legal counsel with expertise in lending will ensure that the RMDZ loans are structured, closed and administered in a manner consistent with commercial lending practices while also considering the statutory mandates and the Board's interests.

**IV. STAFF RECOMMENDATION:**

Staff recommends approval of the award of a contract with Boutin, Dentino, Gibson & Di Giusto, Attorneys at Law, in the amount of \$250,000 for legal services for the RMDZ Revolving Loan Program for the 1997/98 fiscal year.

V. FUNDING INFORMATION:

Amount Requested in Item: \$250,000.00

Fiscal Year: 97/98

Fund Source:

- Used Oil Recycling Fund
- Tire Recycling Management Fund  
(\$30,000.00)
- Recycling Market Development Revolving Loan Account  
(\$220,000.00)
- Integrated Waste Management Account
- Other  
(Specify)

Approved From Line Item:

- Consulting & Professional Services
- Training
- Data processing
- Other  
(Specify)

Redirection:

If Redirection of Funds: \$

Fund Source:

Line Item:

**VI. ATTACHMENT:**

1. Proposed Contract Concept 28-WPM-RMDZ
2. Resolution No. 97-426

Prepared by: *Kathryn J Tobias* Phone: 255-2194  
Deborah Borzelleri

Reviewed by: *Kathryn J Tobias* Phone: 255-2188  
Kathryn J Tobias

Reviewed by: *Caren Trgovcich* Phone: 255-2319  
Caren Trgovcich

Reviewed by: *Gary Arstein-Kerslake* 9/15/97 Phone: 255-2269  
Gary Arstein-Kerslake

ATTACHMENT 1  
**CONTRACT CONCEPTS**  
**FISCAL YEAR 1997-98**

Concept Number: 28-WPM-RMDZ

---

**Requesting Party:** WASTE PREVENTION & MARKET DEVELOPMENT  
DIVISION

**Amount:** \$250,000.00

**Fund:** RMDZ

**Primary Staff Contact:** Deborah Borzelleri

---

**Description:** IMPLEMENTATION & ADMINISTRATION OF RMDZ LOAN  
PROGRAM

Since December of 1992, we have been utilizing the services of Attorney Doug Hodell to assist with implementation and administration of our Recycling Market Development Zone (RMDZ) Loan Program. Mr. Hodell originally was with the law firm of Carroll Burdick & McDonough and is now with the law firm of Boutin Dentino Gibson & DiGiusto. To date, Mr. Hodell has developed all of the documentation for the RMDZ Loan Program, and has provided training and consultative services as needed to assist with the implementation and operation of the loan program, including processing and closing new loans, maintaining existing loans, assisting on problem loans such as foreclosures and effectuating the sale of certain loans.

---

**Supports Board Mandate:**

Market Development/Recycling.

---

**History:**

Prior requests for approval for outside legal services for the RMDZ program were made in 1992, 1993, 1994, 1995 and 1996.

--Contract #C2025: In September 1992, outside legal services were authorized in an amount of \$100,000 for fiscal year 1992/93.

--Contract #C2039: An expenditure of \$60,000 was authorized in December 1992 for fiscal year 1992/93. In August 1993, an additional \$100,000 for fiscal year 1993/94 was authorized. In November 1993 an additional \$60,000 for fiscal year 1993/94 was authorized. An additional \$15,000 for services related to loan closings for fiscal year 1993-94 was authorized in May 1994.

--Contract #C4001: An expenditure of up to \$158,000 was authorized for the fiscal year 1994-95. In May 1995, an augmentation of that contract was approved for an additional \$50,000.

--Contract #C5026: In October 1995, an amount of \$188,000 was approved for fiscal year 1995-96. An additional \$50,000 for legal

services for fiscal year 1996/97 was authorized in October 1996. On June 30, 1996, \$55,698.96 was disencumbered.

--Contract #C6033: An expenditure of \$90,000 was authorized for fiscal year 1996/97 in October 1996. An additional \$50,000 for legal services for fiscal year 1997/98 was authorized in August 1997.

---

**Benefit to the Board:**

Since this is a highly specialized field of law and all of our loans are individualized, continued retention of outside legal counsel with expertise in lending ensures that the loans are structured, closed and administered in a manner consistent with commercial lending practices, while also ensuring compliance with statutory mandates and implementation of the Board's policies. In addition, outside legal counsel with expertise in problem loans, workout agreements, foreclosures, etc., ensures that the Board's interests are fully protected in the situation where a borrower defaults on a Board loan.

---

**Budget Process:**

The amount for this request was calculated based on consideration of past years' actual costs for same/similar services and the cost per hour times estimated hours to prepare and follow through with individual loans, consultative services regarding modifications to or problems with existing loans. The projected amount also includes legal matters such as loan defaults, workout agreements, collateral modifications and foreclosures.

---

Division Liaison

---

Date

---

Branch Manager

---

Date

---

Deputy Director

---

Date

**California Integrated Waste Management Board****Resolution No. 97-426**

**For CONSIDERATION OF CONTRACT CONCEPT AND APPROVAL TO AWARD A CONTRACT TO BOUTIN, DENTINO, GIBSON & DI GIUSTO FOR SPECIALIZED LEGAL SERVICES IN SUPPORT OF THE RECYCLING MARKET DEVELOPMENT ZONE REVOLVING LOAN PROGRAM**

**BE IT RESOLVED** that the Board hereby approves award of a contract concept and contract award for legal services in the amount of \$250,000 with Boutin, Dentino, Gibson & Di Giusto, Attorneys at Law, for the 1997/98 fiscal year.

**CERTIFICATION**

The undersigned Executive Director of the California Integrated Waste Management Board does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the California Integrated Waste Management Board on September 30, 1997.

Dated:

Ralph E. Chandler  
Executive Director