

CERTIFIED  
COPY

BEFORE THE  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD  
MARKET DEVELOPMENT COMMITTEE

IN THE MATTER OF THE: )  
MARKET DEVELOPMENT )  
COMMITTEE MEETING )

DATE AND TIME: THURSDAY, NOVEMBER 6, 1997  
9:30 A.M.

PLACE: BOARD HEARING ROOM  
8800 CAL CENTER DRIVE  
SACRAMENTO, CALIFORNIA

REPORTER: BETH C. DRAIN, RPR, CSR  
CERTIFICATE NO. 7152

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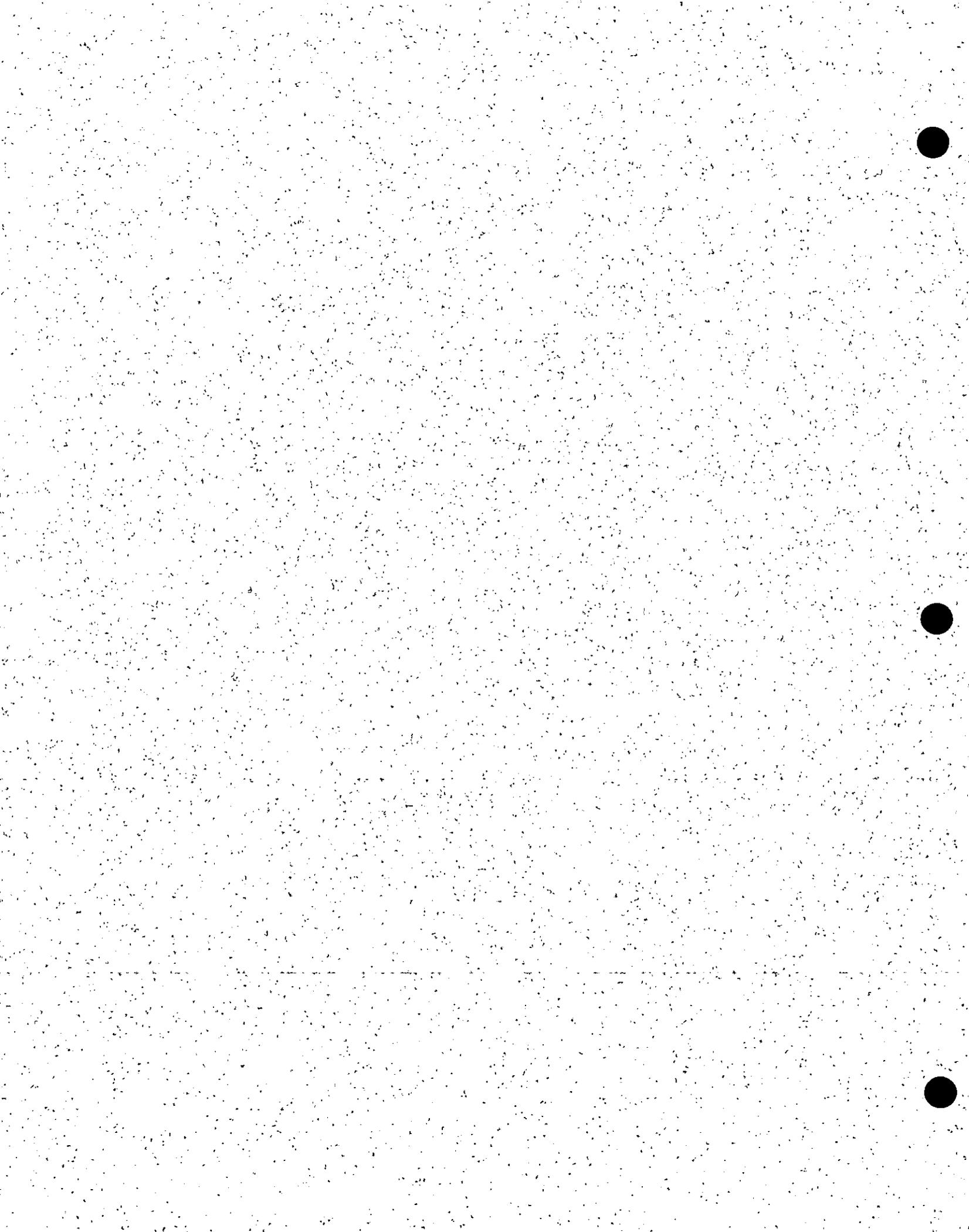
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APPEARANCES

MR. PAUL RELIS, CHAIRMAN  
MR. DANIEL PENNINGTON, MEMBER (NOT PRESENT)  
MR. WESLEY CHESBRO, CHAIRMAN

PRESENT

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



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1 SACRAMENTO, CALIFORNIA;  
2 THURSDAY, NOVEMBER 6, 1997

3 9:30 A.M.

4 CHAIRMAN RELIS: CALL TO ORDER THE MARKET  
5 DEVELOPMENT COMMITTEE. DONNELL, WOULD YOU CALL THE  
6 ROLL.

7 THE SECRETARY: MEMBER PENNINGTON. MEMBER  
8 CHESBRO.

9 MEMBER CHESBRO: HERE.

10 THE SECRETARY: CHAIRMAN RELIS.

11 CHAIRMAN RELIS: HERE.

12 ANY EX PARTE BUSINESS TO REPORT? I  
13 HAVE NOTHING EITHER. SO WE'LL PROCEED WITH THE  
14 AGENDA. CAREN, WOULD YOU PLEASE GIVE US YOUR  
15 REPORT.

16 MS. TRGOVCICH: CERTAINLY. GOOD MORNING,  
17 CHAIRMAN RELIS AND MEMBER CHESBRO. THIS MORNING  
18 I'D LIKE TO OPEN UP MY DEPUTY DIRECTOR'S REPORT  
19 WITH A SUMMARY OF A FEW KEY ACTIVITIES OVER THE  
20 PAST MONTH THAT I WANT TO BRING TO YOUR ATTENTION.  
21 AND WE'RE GOING TO HAVE A MULTIMEDIA SHOW FOR YOU  
22 THIS MORNING.

23 AT CHAIRMAN RELIS' REQUEST, WE HAVE  
24 SET UP THE NEW COMPOST VIDEO. AND I BELIEVE THAT  
25 THIS IS EVEN PERHAPS SOMEWHAT REVISED FROM THE TIME



1 YOU LAST SAW IT. IT INCLUDES SOME OF THE EDITS AND  
2 CHANGES THAT WERE REQUESTED OF THE CONTRACTOR, AND  
3 WE WILL BE SHOWING IT AT YOUR REQUEST IN ITS  
4 ENTIRETY AT THE CONCLUSION OF MY DEPUTY DIRECTOR'S  
5 REPORT SO THAT WE CAN TAKE A LOOK AT IT AND TALK  
6 ABOUT SOME NEXT STEPS.

7 BUT BRIEFLY TO BACK UP, TO TALK ABOUT  
8 SOME OF OUR KEY ACTIVITIES, I WANT TO REPORT TO YOU  
9 ON THE STATUS OF THE PAPER FORUMS THAT THIS  
10 COMMITTEE DIRECTED STAFF TO UNDERTAKE. AS YOU WILL  
11 REMEMBER, WE SENT OUT AN INITIAL ROUND OF  
12 INVITATIONS, AND WE HAD ERRED IN NOT FULLY  
13 COORDINATING WITH THE INTERESTED PARTIES. AND WHAT  
14 WE FOUND WAS THAT THE DATES THAT WE HAD SELECTED  
15 HAPPENED TO HAVE BEEN AN AFTA PLANNING MEETING, AN  
16 ANNUAL PLANNING MEETING THAT THEY WERE HOLDING.  
17 AND SINCE THEY'RE KEY PLAYERS, WE WORKED WITH THEM  
18 TO SCHEDULE A NEW DATE. THE NEW DATE FOR THE PAPER  
19 FORUM IS DECEMBER 15TH. BECAUSE OF THE HOLIDAYS  
20 AND VARIOUS INTERESTED PARTIES' SCHEDULES, IT WAS  
21 PRETTY DIFFICULT TO COME UP WITH A DATE THAT WAS  
22 GOING TO CLOSELY WORK.

23 THIS ONE APPEARS TO WORK THE BEST  
24 BECAUSE IT IS THE MONDAY FOLLOWING ASSEMBLYWOMAN  
25 BOWEN'S HEARING, INTERIM HEARING, ON MARKET



1 DEVELOPMENT. SO A LOT OF THE PLAYERS ARE GOING TO  
2 BE OUT HERE ALREADY, SO WE ARE TRYING TO TAKE  
3 ADVANTAGE OF THAT.

4 CHAIRMAN RELIS: WHERE WILL THAT BE?

5 MS. TRGOVCICH: THE FORUM WILL BE HERE IN  
6 BOARD CHAMBERS. WE WILL BE TALKING ABOUT THE  
7 ASPECTS PERTAINING TO WAYS IN WHICH WE CAN INCREASE  
8 UTILIZATION OF CALIFORNIA RECOVERED PAPER AS WELL  
9 AS ARE THERE ANY REFINEMENTS THAT COULD OCCUR TO  
10 THE METHODOLOGY ITSELF THAT MAY MAKE IT MORE  
11 ACCURATE. AND THAT WILL BE A SEPARATELY HELD  
12 SESSION SINCE MANY OF THE INTERESTED PARTIES ARE  
13 GOING TO POTENTIALLY BE LESS INTERESTED IN THAT  
14 PARTICULAR TOPIC. WE MAY HAVE A DIFFERENT GROUP  
15 FOR THAT TOPIC. SO THAT WILL BE DECEMBER 15TH AND  
16 POSSIBLY 16TH FOR THE METHODOLOGY PORTION.

17 AS IT RELATES TO PLASTIC MARKET  
18 DEVELOPMENT EFFORTS, YOU WILL REMEMBER THAT ONE OF  
19 THE KEY ACTIVITIES IN THE MARKET DEVELOPMENT PLAN,  
20 ONE OF THE PRIORITY MATERIALS WAS PLASTICS. AND IN  
21 THE MARKET DEVELOPMENT PLAN, THE BOARD INCLUDED  
22 SPECIFIC DIRECTION TO HOLD WORKSHOPS ON INCREASING  
23 DURABLE GOODS MANUFACTURED USING RECYCLED RESIN.  
24 THAT MARKET DEVELOPMENT PLAN ALSO CONTAINS SPECIFIC  
25 DIRECTION ON WHAT THOSE WORKSHOPS SHOULD FOCUS ON,



1 AND SO WE HAVE TWO UPCOMING WORKSHOPS.

2 ONE WILL BE AT THE SAN JOSE  
3 CONVENTION CENTER ON JANUARY 14TH, AND THIS  
4 WORKSHOP IS GOING TO BE FOCUSING ON THE COMPUTER  
5 AND ELECTRONICS INDUSTRY. AND WE'RE HOPING AND WE  
6 ARE IN THE PROCESS OF IDENTIFYING SPEAKERS AND  
7 PARTICIPANTS FOR THOSE WORKSHOPS. WE ARE ALSO  
8 IDENTIFYING LOAN RECIPIENTS OR POTENTIAL LOAN  
9 RECIPIENTS THAT MAY BE INTERESTED AS WELL.

10 THE SECOND WORKSHOP WILL BE HELD ON  
11 JANUARY 28TH AT THE CITY OF ANAHEIM CITY CENTER.  
12 AND THIS WORKSHOP WILL BE FOCUSING ON THE  
13 AUTOMOTIVE TRANSPORTATION SECTOR. AND IT'S MY  
14 UNDERSTANDING THAT THE COALITION OF THE BIG THREE  
15 AUTO MAKERS HAS SIGNED UP AND WILL BE PARTICIPATING  
16 IN THAT WORKSHOP. SO WE'RE LOOKING FORWARD TO  
17 THAT.

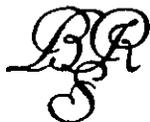
18 AS WE SPEAK, MIKE LAEON IS, I  
19 BELIEVE, IN CHICAGO AT THE AMERICAN SOCIETY OF  
20 PLASTIC ENGINEERS ANNUAL CONFERENCE, AND THEY HAVE  
21 A SIGNIFICANT PORTION DEVOTED TO USE OF RECYCLED  
22 RESIN. HE'S PARTICIPATING IN THAT IN ORDER, ONE,  
23 TO IDENTIFY POTENTIAL SPEAKERS AND, TWO, TO BRING  
24 INFORMATION THAT WE CAN USE BOTH AS IT RELATES TO  
25 THE WORKSHOPS AS WELL AS ANY UPCOMING EFFORTS.



1 AS FAR AS OUR LOAN ZONE PROGRAM, JUST  
2 TO BRIEFLY REPORT TO YOU, FOR THE LOAN CONTRACTS  
3 YOU WILL REMEMBER WE AWARDED SEVERAL CONTRACTS OVER  
4 THE LAST TWO TO THREE MONTHS. WE ARE IN THE  
5 PROCESS OF SIGNING THE AGREEMENTS AROUND MANY OF  
6 THOSE CONTRACTS. WE HAVE MET WITH THE BOARD'S  
7 CONTRACTOR, AMERICAN RIVER BANK, WHO WILL BE  
8 PERFORMING BOTH THE LOAN CLOSING AND THE LOAN  
9 SERVICING PORTION OF THE CONTRACTS, AND THEY ARE  
10 VERY READY TO GO.

11 WE ACTUALLY WORKED OVER THE WEEKEND  
12 LAST WEEKEND TO BE ABLE TO CONSOLIDATE ALL OUR  
13 FILES, TO BE ABLE TO TRANSFER THEM OVER TO AMERICAN  
14 RIVER BANK, SO WE ARE WELL ON OUR WAY IN THAT  
15 REGARD.

16 AS FAR AS ZONE OUTREACH IS CONCERNED,  
17 I THINK WE'VE CERTAINLY BEEN BEFORE YOU IDENTIFYING  
18 THE CHANGES THAT HAVE BEEN OCCURRING IN THE  
19 SECTION. YOU WILL BE RECEIVING A REPORT, I  
20 BELIEVE, IN DECEMBER, AN UPDATE ON THE STATUS OF  
21 THE ZONE PROGRAM ITSELF, BUT I THINK THAT WHAT  
22 WE'RE SEEING IS A REINVIGORATED EFFORT. WE'VE BEEN  
23 OUT AND WE'VE MET WITH ZONE ADMINISTRATORS ALL  
24 AROUND THE STATE FROM LOS ANGELES, VENTURA, LONG  
25 BEACH, SAN DIEGO, UP THROUGH NAPA, LAKE COUNTY, SAN



1 JOSE, ANAHEIM, ETC., SO MANY JURISDICTIONS, WE'VE  
2 BEEN OUT TRYING TO WORK WITH THEM.

3 ALONG THOSE LINES, TAKING YOUR  
4 DIRECTION OF SEVERAL MONTHS AGO TO PURSUE WITH THE  
5 ZONE ADMINISTRATORS ASSOCIATION, WE'VE BEEN WORKING  
6 WITH JIM COOL AND RECEIVING HIS INPUT AND  
7 RECOMMENDATIONS AROUND INCENTIVES TO MAKE THE ZONE  
8 LOAN PROGRAM MORE MARKETABLE FOR THE ZONE  
9 ADMINISTRATORS, WHAT IS IT GOING TO TAKE TO GET  
10 THEM TO INCREASE THEIR INTEREST.

11 JIM HAS PROVIDED US WITH A VERY  
12 LENGTHY LISTING OF POSSIBLE APPROACHES, AND WE ARE  
13 INCLUDING THAT AS AN ITEM THAT WILL BE COMING  
14 BEFORE YOU IN JANUARY.

15 WE'VE BEEN TALKING TO JIM AS WELL  
16 ABOUT THE UPCOMING ZONE ADMINISTRATORS CONFERENCE.  
17 A DATE IS NOT SET AT THIS POINT, BUT WE ARE WORKING  
18 WITH THEM ON THAT, AND YOU WILL LIKELY SEE A  
19 REQUEST FROM THE ZONE ADMINISTRATORS FOR MORE OF A  
20 SIGNIFICANT PARTICIPATION LEVEL BY THE BOARD IN  
21 THAT CONFERENCE. AND WHAT I MEAN THERE IS MONEY.  
22 SO WE MAY WELL BE COMING BACK TO YOU WITH SOME  
23 REQUEST FOR FUNDS TO SUPPORT THE ZONE  
24 ADMINISTRATORS IN THEIR ANNUAL CONFERENCE.

25 AS FAR THE LOAN FUND STATUS, THIS IS



1 THE MONTHLY UPDATE I PROVIDE TO YOU. WE HAVE  
2 CLOSED 55 LOANS IN THE AMOUNT OF \$22.5 MILLION.  
3 YOU WILL REMEMBER THE MBA POLYMERS LOAN JUST  
4 RECENTLY CLOSED FOR A TOTAL OF \$1 MILLION. WE HAVE  
5 AN ADDITIONAL TEN ACTIVE LOAN APPLICATIONS THAT YOU  
6 HAVE APPROVED THAT ARE MOVING THROUGH THE CLOSING  
7 PROCESS RIGHT NOW. THOSE TEN APPLICATIONS TOTAL  
8 \$5.9 MILLION. AND IF YOU LOOK AT THE 19 MILLION  
9 THAT IS SITTING IN THE ACCOUNT RIGHT NOW AND  
10 ACCOUNT FOR THE 5.9 MILLION MOVING THROUGH CLOSURE,  
11 THAT WILL LEAVE APPROXIMATELY \$14.1 MILLION  
12 AVAILABLE. THAT IS A SIGNIFICANT DECREASE IN THE  
13 AMOUNT OF FUNDS. WE'RE SEEING FIVE MILLION GOING  
14 OUT THE DOOR OVER THESE MONTHS.

15 THE LOAN CLOSINGS SHOULD INCREASE  
16 DRAMATICALLY AS WE START TO -- AS OUR CONTRACTOR,  
17 AMERICAN RIVER BANK, COMES ON LINE TO WORK WITH US  
18 ON CLOSING THE LOANS.

19 DURING THE MONTH OF NOVEMBER, WE  
20 ESTIMATE THAT FIVE OF THESE LOANS WILL BE CLOSING  
21 FOR A TOTAL OF \$3.3 MILLION.

22 WITH THAT, I'D LIKE TO TURN OUR FOCUS  
23 TO THE NEXT MULTIMEDIA ASPECT OF THE DEPUTY  
24 DIRECTOR'S REPORT AND TALK TO YOU BRIEFLY ABOUT  
25 ORGANIC MATERIALS MANAGEMENT. AS YOU ARE AWARE,



1 THE SECOND FIELD DAY FOR THE SOUTHERN CALIFORNIA  
2 MULCH AND COMPOST AG DEMONSTRATION PROJECT IS  
3 SCHEDULED FOR THE ED MALONE RANCH IN POWAY ON  
4 NOVEMBER 13TH.

5 THE SPEAKERS THERE ARE GOING TO BE  
6 GARY BENDER, CHAIRMAN RELIS, JOHN MANGE, TIM HARTS,  
7 JASON JACKSON. THERE WILL BE AN EQUIPMENT  
8 DEMONSTRATION THAT WILL OCCUR AT THE TIME OF THAT  
9 DEMONSTRATION.

10 CHAIRMAN RELIS: THIS IS OUR SPREADER  
11 EQUIPMENT.

12 MS. TRGOVCICH: THIS IS OUR SPREADER  
13 EQUIPMENT, THE THIN PNEUMATIC SPREADER FOR STEEP  
14 HILL MULCH APPLICATION.

15 CHAIRMAN RELIS: NOW THAT IS A PIECE OF  
16 EQUIPMENT. WE'LL HAVE TO GET PICTURES OF THAT.  
17 VIDEO IT.

18 MS. TRGOVCICH: JOHN MAY WANT TO GO WITH  
19 YOU TO GET THE RIGHT SHOT.

20 BUT WE'D LIKE TO DO NOW, KNOWING THAT  
21 THE FIELD DAYS ARE CONTINUING AND THAT OUR ORGANICS  
22 WORK IS GOING TO CONTINUE AND IT'S GOING TO GROW,  
23 IS WHAT WE'D LIKE TO DO IS SHOW YOU THE COMPOST  
24 VIDEO. I'M GIVING PAT THE TWO THUMBS UP. THEY'RE  
25 NOT GREEN THOUGH. HE SAID THAT'S WHAT I NEEDED TO



1 START THE VIDEO.

2 WHAT YOU WILL SEE WHEN YOU LOOK AT  
3 THE VIDEO IS THAT THIS INCLUDES HIGHLIGHTS OF  
4 INTERVIEWS WITH OUR NORTHERN CALIFORNIA COOPERATIVE  
5 TEAMS. THE COMPOST VIDEO WAS FILMED DURING 1995  
6 AND '96 AS FAR AS THE INTERVIEWS ARE CONCERNED, AND  
7 THE FIVE AGRICULTURAL DEMONSTRATIONS WHICH ARE  
8 HIGHLIGHTED HERE WERE CONCLUDED IN THE FIRST HALF  
9 OF CALENDAR YEAR 1997.

10 (VIDEO WAS THEN PLAYED BUT NOT  
11 REPORTED NOR HEREIN TRANSCRIBED. )

12 MS. TRGOVCICH: MAYBE WHILE PAT IS TURNING  
13 IT OFF, I'D LIKE TO TAKE THE TIME TO JUST THANK PAT  
14 PASWATER ESPECIALLY FOR WORKING ON THE COMPOST  
15 VIDEO. HE'S BEEN INSTRUMENTAL AS FAR AS THE AG  
16 DEMOS HAVE BEEN CONCERNED IN THE PRODUCTION OF THIS  
17 VIDEO. I'D ALSO LIKE TO THANK JEFF HUNTS, WHO IN  
18 THE EARLY STAGES OF THIS PROJECT WAS INVOLVED AS  
19 WELL IN THE PRODUCTION OF THE VIDEO. THAT  
20 COMPLETES MY DEPUTY DIRECTOR'S REPORT.

21 MEMBER CHESBRO: VERY THEATRICAL TALKING  
22 WITH MUSIC IN THE BACKGROUND.

23 CHAIRMAN RELIS: IT'S A WHOLE NEW MODE  
24 HERE.

25 MEMBER CHESBRO: MAYBE WE SHOULD PLAY



1 MUSIC ALL THE TIME WHILE WE TALK.

2 MR. CHANDLER: CAREN, WHAT IS YOUR  
3 THINKING ON HOW THIS IS GOING TO BE MARKETED NOW?

4 MS. TRGOVCICH: RIGHT NOW WE ARE PLANNING  
5 ON TAKING IT WITH US TO THE FARM SHOWS AROUND THE  
6 STATE. WE'LL BE RUNNING IT IN A CONTINUOUS LOOP AT  
7 THE FARM SHOWS. WE ARE WORKING WITH JOHN FRITH'S  
8 OFFICE TO SEE WHAT POSSIBILITIES ARE AVAILABLE IN  
9 TERMS OF AIRING IT ON THE PUBLIC TELEVISION  
10 STATIONS, POTENTIALLY SOME OTHER BROADCAST STATIONS  
11 AROUND THE STATE. THERE'S A NUMBER OF OPTIONS THAT  
12 WE ARE LOOKING AT CURRENTLY.

13 I KNOW JOHN FRITH WOULD IDEALLY AS  
14 WELL WOULD LIKE TO SEE A VERY MUCH SHORTER VERSION,  
15 EXCERPTS OF THIS PUT TOGETHER IN A MINUTE-,  
16 TWO-MINUTE CLIP AS WELL. SO WE'RE WORKING ALONG  
17 THOSE LINES, BUT WE'RE STARTING TO ROLL IT OUT.  
18 WE'RE VERY OPEN TO IDEAS.

19 MR. CHANDLER: I KNOW THAT YOU OBVIOUSLY  
20 HAVE DONE A GOOD JOB GETTING INTO THE FARM ADVISORY  
21 COMMUNITY WITH THIS. I KNOW THAT A WEEK FROM  
22 MONDAY I'VE BEEN ASKED TO SPEAK TO THE AGRICULTURAL  
23 COMMISSIONERS AT THEIR ANNUAL CONFERENCE ON SOME  
24 WORK WE'VE DOING WITH OUR LEA'S AROUND CONFLICT  
25 RESOLUTION. BUT I KNOW THAT DAN LUNDGREN IS THE



1 LUNCHEON SPEAKER, SO IT'S A FAIRLY BIG EVENT. IT'S  
2 THEIR ANNUAL CONFERENCE, AND MAYBE WE OUGHT TO BE  
3 WORKING WITH THE DPR TO SEE IF THERE'S A WAY WE  
4 COULD GET THE AGRICULTURAL COMMISSIONERS, MAYBE NOT  
5 IN THIS FORUM, BUT IN SOME FORUM TO BE WELL AWARE  
6 OF WHAT WE'VE GOT GOING.

7 MS. TRGOVCICH: WELL, CERTAINLY WITH THAT.  
8 AND PERHAPS THERE'S EVEN AN OPPORTUNITY THIS  
9 MONDAY. THIS FRIDAY I KNOW I'M PARTICIPATING AT  
10 CAL-EPA ON A TRAINING PROGRAM FOR VARIOUS FARM  
11 ADVISORS AND GROWERS THROUGH THE CALIFORNIA FARM  
12 BUREAU'S PROGRAM, SO WE'LL BE TALKING ABOUT THIS AS  
13 WELL. BUT IF YOU ARE AWARE OF ANY OPPORTUNITIES,  
14 PLEASE LET US KNOW AND WE'LL WORK TO MAKE COPIES  
15 AVAILABLE. WE CAN ALSO WORK TO MAKE THE EQUIPMENT  
16 AVAILABLE AS WELL.

17 CHAIRMAN RELIS: JUST A FEW WORDS ON THE  
18 OUTREACH. WELL, FIRST, I'D LIKE TO ALSO  
19 ACKNOWLEDGE PAT AND PAT, AND THE TWO PATS, AS WE  
20 CALL THEM, AND JEFF HUNTS FOR HIS WORK.

21 I THINK THIS REPRESENTS THE  
22 CULMINATION OF OUR FOUR-YEAR EFFORT. I THINK IT  
23 ALSO IS THE BEGINNING REALLY OF NOW THE, I GUESS  
24 YOU'D CALL IT, BRINGING THIS COMPOST AND GREEN  
25 MATERIALS APPROACH TO THE MAINSTREAM OF AGRICULTURE



1 AND OTHER APPLICATIONS.

2 AND I THINK THE VIDEO WORKS  
3 BEAUTIFULLY. I THINK IT WILL WORK FOR THE TARGETED  
4 AUDIENCE, BUT I'M TOLD BY -- I HAD SHORT  
5 CONVERSATION WITH JOHN FRITH THE OTHER DAY, AND HE  
6 SAID THAT UNLESS WE REFORMATTED THE VISUALS, THAT  
7 IT PROBABLY WON'T WORK FOR PUBLIC TELEVISION IN THE  
8 SENSE THAT IT'S GOT OUR LOGO ON IT, IT'S GOT ALL  
9 KINDS OF THINGS THAT PREVENT THAT BEING USED FOR A  
10 PUBLIC TELEVISION.

11 MEMBER CHESBRO: IT'S TOO MUCH LIKE AN  
12 ADVERTISEMENT. LIKE A DOCUMENTARY OR SOMETHING.

13 CHAIRMAN RELIS: IF THERE WAS A WAY  
14 THAT -- I DON'T KNOW IF WE HAVE ANY MONEY AND WE  
15 PROBABLY DON'T, BUT IF WE DID, IF WE COULD GET A  
16 SHORTENED VERSION THAT WOULD BE SUITABLE FOR --  
17 WHAT'S THAT SHOW ON CALIFORNIA AGRICULTURE THAT YOU  
18 SEE ON -- CALIFORNIA HEARTLAND, WHICH IS A GREAT  
19 SHOW AND I THINK IT REACHES A LOT OF PEOPLE IN THE  
20 VALLEY. IF THERE WAS A WAY TO DO THAT, I THINK IT  
21 WOULD BE BENEFICIAL.

22 I ALSO -- I WOULD ASK THAT YOU  
23 PREPARE FOR US A LIST OF HOW YOU SEE -- WHO IS YOUR  
24 TARGET AUDIENCE FOR THIS AND SO THAT WE CAN AS  
25 BOARD MEMBERS AND STAFF COLLABORATIVELY LOOK AT



1 WAYS OF BROADENING THE REACH OF THIS PRODUCT  
2 BECAUSE I THINK IT'S FAR MORE ACCESSIBLE THAN THE  
3 WRITTEN REPORT, FRANKLY. I THINK THE WRITTEN  
4 REPORT DOES NOT DO AS MUCH JUSTICE TO THE PROGRAM  
5 AS THE VIDEO DOES. HEARING THE EXPRESSION OF THE  
6 RESEARCH PEOPLE IN THEIR OWN WORDS IN THE  
7 AGRICULTURAL CONTEXT, I THINK IT COMES OFF THE  
8 PAGE, YOU KNOW. YOU REALLY GET A SENSE OF WHAT  
9 THIS IS ABOUT AND WHY IT'S IMPORTANT AND WHAT THE  
10 RESULTS HAVE BEEN; WHEREAS, THE TEXT IS -- YOU HAVE  
11 TO SEARCH FOR IT, READ BETWEEN THE LINES, BECAUSE  
12 THE RESEARCHERS ARE SO DRY, I GUESS, IN THEIR  
13 PRESENTATION. OVERLY -- WELL, I WON'T SAY THAT.  
14 THEY'RE VERY CAUTIOUS AND IT READS THAT WAY;  
15 WHEREAS, YOU HEAR A PANDOL OR YOU HEAR A MARK  
16 BUCHANON IN THEIR OWN WORDS, IT REALLY COMMUNICATES  
17 AN IMPACT.

18 MR. CHANDLER: JUST NEED TO GET KEN BURNS  
19 TO HELP US.

20 CHAIRMAN RELIS: IF WE COULD GET THE KEN  
21 BURNS APPROACH TO COMPOST. I ALSO WISH WE HAD A  
22 MILLION DOLLARS TO PUT IN THE UC SYSTEM TO CONTINUE  
23 THE LONG-TERM RESEARCH BECAUSE EVERY FACET THAT'S  
24 DISCUSSED, THE WATER SAVING, THE PESTICIDE  
25 REDUCTION, THE IMPROVED SOIL QUALITY, THOSE ARE ALL



1        IMPORTANT SUBJECT AREAS FOR LONG-TERM RESEARCH.  
2        AND UNFORTUNATELY THIS BOARD CANNOT SUSTAIN THAT  
3        TYPE OF RESEARCH. WE WERE LUCKY TO HAVE THAT  
4        WINDFALL.

5                MS. TRGOVCICH: ONE OF THE THINGS THAT AT  
6        THE ADMINISTRATION COMMITTEE MEETING EARLIER THIS  
7        WEEK, WE HAD A DISCUSSION ON THE OUTREACH  
8        ASSOCIATED WITH A CONTRACT CONCEPT THAT WAS PUT  
9        FORWARD FOR FISCAL YEAR '97-'98 AS IT PERTAINS TO  
10       INSTITUTIONALIZING COMMERCIAL APPLICATION AND  
11       LOOKING AT MULCH APPLICATION AND DEVELOPMENT OF  
12       SPECS.

13                AND MEMBER GOTCH REQUESTED THAT WE  
14        STRONGLY FOCUS ON OUTREACH AND WHAT WERE OUR PLANS  
15        THERE. WE TALKED ABOUT IT A LITTLE, BUT WHAT WE  
16        ALSO MENTIONED WAS THAT IN THIS PAST FISCAL YEAR  
17        U.S. EPA LIKED WHAT WE WERE DOING SO MUCH THAT THEY  
18        PROVIDED US WITH FUNDS TO BE ABLE TO MARKET, TO BE  
19        ABLE TO GET THE INFORMATION OUT AS IT RELATES TO  
20        THE COMPOST DEMOS AND SOME OF OUR MORE GENERAL  
21        WORK, AND WE COULD PURSUE ADDITIONAL LINES OF  
22        FUNDING AS WELL THAT MAY BE AVAILABLE.

23                CHAIRMAN RELIS: I THINK YOU SHOULD PURSUE  
24        THAT VIGOROUSLY. YOU SHOULD TRY TO MAKE CONTACT  
25        WITH FELICIA MARCOS' OFFICE REGION IX, SEE IF YOU



1 CAN GET THIS PRESENTED IN A FORMAL-TYPE SETTING TO  
2 EPA REGION IX SO THAT THEY CAN SEE WHAT.

3 MS. TRGOVCICH: I BELIEVE THEY HAVE SEEN  
4 IT. YES. MAYBE PAT CAN DESCRIBE KIND OF MORE  
5 WHERE IT'S BEEN OR WHERE IT'S GOING?

6 MEMBER CHESBRO: BEFORE PAT DOES, I  
7 WANTED TO ECHO PAUL'S COMMENTS.

8 MR. PASWATER: I'VE RECEIVED A FINAL COPY  
9 YESTERDAY, SO IT HASN'T GONE ANYWHERE BEYOND THE  
10 BOARD AS OF YET. BUT WE DO INTEND TO DISTRIBUTE  
11 VARIOUS COPIES THROUGHOUT THE STATE, PRIMARILY TO  
12 FARM RELATED ORGANIZATIONS, COMMUNITY ALLIANCE WITH  
13 FAMILY FARMERS, RCD DISTRICTS, OF COURSE, THE  
14 ORGANIC PROCESSING INDUSTRY, AND A VARIETY OF  
15 ENTITIES THAT WOULD PROBABLY PLAY IT FOR THEIR  
16 MEMBERSHIP.

17 CHAIRMAN RELIS: OKAY. THANK YOU VERY  
18 MUCH. AND AGAIN, PAT AND PAT AND JEFF, YOU KNOW  
19 THIS REALLY TOOK AN EXTRAORDINARY DILIGENCE IN  
20 MAKING SURE THIS CAME OFF AS WELL AS IT DID AND  
21 APPRECIATE IT.

22 MEMBER CHESBRO: THERE'S NO WAY TO KNOW  
23 FROM SEEING SOMETHING THAT'S SO PROFESSIONALLY  
24 PRODUCED AND SMOOTH AND BEAUTIFUL HOW MUCH, YOU  
25 KNOW, HARD WORK AND SWEAT THAT'S GONE IN OVER MANY



1 YEARS TO PUT SOMETHING TOGETHER THAT LOOKS SO  
2 GREAT, BUT WE KNOW. WE KNOW HOW HARD EVERYONE HAS  
3 BEEN WORKING TO MAKE THIS PROJECT A REALITY, AND  
4 THIS IS JUST A NICE PR ICING THAT WILL HELP TO GET  
5 THE MESSAGE OUT.

6 CHAIRMAN RELIS: CAREN, DID YOU HAVE  
7 ANYTHING MORE IN YOUR REPORT? JUST BEFORE WE GET  
8 INTO OUR BUSINESS, I WAS HANDED TODAY THE 1997  
9 ANNUAL REPORT OF THE COMMUNITY REINVESTMENT FUND.  
10 THESE ARE THE -- THIS IS THE PARTY WE DID OUR FIRST  
11 LOAN SALE WITH, AND THEY FEATURE THE BOARD'S LOAN  
12 PROGRAM AND THE -- SOME OF THE COMPANIES WHOSE  
13 LOANS THEY PURCHASED.

14 MS. TRGOVCICH: WELL, WHAT THEY'RE  
15 FEATURING, WHICH IS, I THINK, A GREAT TURNAROUND IN  
16 TERMS OF THAT DOCUMENT, IS THEY'RE FEATURING THE  
17 REUSE OF THE FUNDS FROM THE SALE THAT WE RECEIVED.  
18 SO WHERE WE RECEIVED CLOSE TO \$5 MILLION FOR THE  
19 LOAN SALE, WHAT THEY'RE SHOWING AND HIGHLIGHTING IN  
20 THERE ARE HOW THOSE FUNDS WERE THEN TURNED BACK  
21 AROUND BY THE BOARD AND PROVIDED BACK OUT IN TERMS  
22 OF NEW LOANS.

23 CHAIRMAN RELIS: I HAVEN'T HAD THE CHANCE  
24 TO GO THROUGH THIS IN ANY DETAIL, BUT I'LL MAKE  
25 THIS AVAILABLE.



1 MS. TRGOVCICH: IT'S A VERY WELL PUT  
2 TOGETHER DOCUMENT.

3 CHAIRMAN RELIS: IT LOOKS LIKE A GOOD ONE.  
4 OKAY. LET'S GET ON TO BUSINESS HERE.

5 MS. TRGOVCICH: DO YOU WANT TO MOVE IN,  
6 WE'LL MOVE INTO AGENDA ITEM NO. 2. BOTH OF THESE  
7 AGENDA ITEMS, WE'RE HOPING WILL BE BRIEF AND WE'LL  
8 GET YOU OUT OF HERE PRETTY SOON.

9 AGENDA ITEM NO. 2 IS CONSIDERATION OF  
10 ADOPTION OF PROPOSED REGULATIONS TO THE RECYCLING  
11 MARKET DEVELOPMENT REVOLVING LOAN PROGRAM. THIS IS  
12 A REVISITATION OF THE LOAN REGULATIONS THAT WERE  
13 INITIALLY APPROVED BY THE BOARD EARLIER THIS YEAR.  
14 AS YOU WILL REMEMBER, THE BOARD ADOPTED REGULATIONS  
15 PERTAINING TO THE LOAN PROGRAM AS IT RELATES TO  
16 LOAN COMMITTEE MEMBERSHIP, AS IT RELATES TO A WHOLE  
17 VARIETY OF ISSUES.

18 THE REGULATION PACKAGE WAS NOT  
19 APPROVED IN ITS ENTIRETY, AND WHAT THIS ITEM  
20 REPRESENTS IS RETURNING TO YOU A COMPLETION OF THE  
21 15-DAY COMMENT PERIOD AROUND THOSE ITEMS THAT OAL  
22 REQUESTED WE REVISIT. AND I'D LIKE TO TURN IT OVER  
23 TO BOB CAPUTI FOR PRESENTATION.

24 MR. CAPUTI: CHAIRMAN RELIS, BOARD MEMBER  
25 CHESBRO, AFTER THAT PRESENTATION, I WISH I'D WORN A



1 MORE COLORFUL TIE TO EMBELLISH THIS.

2 AS CAREN SAID, THE REG PACKAGE WAS  
3 APPROVED PARTIALLY BY THE OFFICE OF ADMINISTRATIVE  
4 LAW, AND WE ADDRESSED CONCERNS WITH THE REMAINING  
5 PORTION OF THE REVISED PACKAGE BASICALLY CLARIFYING  
6 NONSUBSTANTIVE CHANGES RELATED PRIMARILY TO  
7 REFERENCES TO PROCESSES OR PROCEDURES NOT DEFINED  
8 WITHIN THE REGULATORY PACKAGE. THESE REFERENCES  
9 HAVE BEEN REMOVED TO DISPEL ANY CONCERN REGARDING  
10 POTENTIAL UNDERGROUND REGULATIONS.

11 THE PACKAGE AS REVISED WAS SENT OUT  
12 TO APPROXIMATELY 175 INTERESTED PARTIES FOR AN  
13 ADDITIONAL 15-DAY PUBLIC REVIEW PERIOD THAT ENDED  
14 NOVEMBER 4TH. FOR THE RECORD, WE RECEIVED NO  
15 COMMENTS DURING THAT PERIOD. IF THERE ARE ANY  
16 QUESTIONS.

17 CHAIRMAN RELIS: I'M JUST LOOKING,  
18 PAINFULLY REMINDED OF YESTERDAY'S DISCUSSION OF A  
19 DEFINITION OF REUSE HERE. I'M JUST LOOKING FOR  
20 HARMONIZATION IN OUR DEFINITIONS.

21 MS. TRGOVCICH: ONE OF THE THINGS THAT WE  
22 ARE DOING AND WE'RE HOPING JUST TO MAKE IT A  
23 NONSUBSTANTIVE CHANGE AS WE SUBMIT THE PACKAGE TO  
24 THE OFFICE OF ADMINISTRATIVE LAW SPECIFICALLY IN  
25 RESPONSE TO THAT DISCUSSION IS JUST A BRIEF



1 ONE-LINER HERE THAT SAYS THAT THIS DEFINITION IS  
2 FOR PURPOSES OF THIS ARTICLE ONLY, SO THERE WILL BE  
3 NO QUESTION. I THINK LEGAL MAY WISH TO ADDRESS IT,  
4 THAT THEY FEEL THAT IT'S IMPLIED.

5 MS. BORZELLERI: RIGHT. WE TALKED TO THE  
6 ADMINISTRATIVE -- OFFICE OF ADMINISTRATIVE LAW.  
7 THEY SEEM TO THINK THAT THIS WOULD NOT BE A  
8 SUBSTANTIVE CHANGE AS LONG AS WE DEMONSTRATE IN THE  
9 RECORD THAT THAT'S WHAT WE INTENDED. I DON'T SEE A  
10 PROBLEM WITH IT AT THIS STAGE. WE SHOULD BE ABLE  
11 TO CLARIFY IT.

12 CHAIRMAN RELIS: OKAY. WELL, WHAT DO WE  
13 NEED?

14 MS. TRGOVCICH: THE ACTION WOULD BE  
15 APPROVAL OF THE REGULATIONS.

16 MEMBER CHESBRO: THAT'S MY MOTION.

17 CHAIRMAN RELIS: OKAY. IT'S BEEN MOVED.  
18 I'LL SECOND IT. WE'LL CALL THE ROLL?

19 THE SECRETARY: MEMBER CHESBRO.

20 MEMBER CHESBRO: AYE.

21 THE SECRETARY: CHAIRMAN RELIS.

22 CHAIRMAN RELIS: AYE. CONSENT? CONSENT  
23 IT IS. OKAY.

24 MS. TRGOVCICH: THE THIRD ITEM ON YOUR  
25 AGENDA IS CONSIDERATION OF APPOINTMENT OF MEMBERS



1 TO THE LOAN COMMITTEE FOR THE RECYCLING MARKET  
2 DEVELOPMENT REVOLVING LOAN PROGRAM. THIS GOES  
3 DIRECTLY BACK TO THE ITEM THAT YOU JUST HEARD. ONE  
4 OF THE THINGS THAT THE REGULATION PACKAGE THAT WAS  
5 APPROVED BY OAL DID WAS INCREASE THE MEMBERSHIP ON  
6 THE BOARD'S LOAN COMMITTEE.

7 WE ALSO HAD AN EXISTING VACANCY ON  
8 THAT COMMITTEE AS WELL, AND SO THIS ITEM BRINGS  
9 TOWARDS YOU RECOMMENDATIONS FOR FILLING OUT THE  
10 POSITIONS ON THE COMMITTEE. AND I WILL TURN IT  
11 OVER TO BOB CAPUTI AGAIN FOR PRESENTATION.

12 MR. CAPUTI: THERE ARE CURRENTLY FOUR  
13 REPRESENTATIVES ON THE RECYCLING MARKET DEVELOPMENT  
14 ZONE LOAN COMMITTEE WHOSE TERM WILL EXPIRE DECEMBER  
15 OF THIS YEAR: JAMES BEARD, ERIC WATKINS, ROXANNE  
16 MIDDLETON, AND DARRELL SUTTERFIELD.

17 THREE OF THOSE MEMBERS WISH TO BE  
18 REPOINTED. ROXANNE MIDDLETON HAS RECEIVED A REALLY  
19 NICE PROMOTION TO WORKING WITH BANK OF AMERICA; AND  
20 BECAUSE OF THAT COMMITMENT DIDN'T FEEL COMFORTABLE  
21 IN TRYING TO SERVE ANOTHER TERM ON OUR LOAN  
22 COMMITTEE. WE ARE RECOMMENDING THE REAPPOINTMENT  
23 OF THE THREE MEMBERS. BECAUSE OF THE REG PACKAGE,  
24 WE HAVE TWO ADDITIONAL VACANCIES TO FILL BESIDES  
25 ROXANNE'S.



1 WE ARE RECOMMENDING ROBERT PICKERAL,  
2 WHO IS CURRENTLY AN ACCOUNT EXECUTIVE FOR UNITED  
3 WAY OF SAN DIEGO. BOB IS A RETIRED BANK OF AMERICA  
4 PROFESSIONAL WITH EXTENSIVE BACKGROUND IN PRIVATE  
5 SECTOR LENDING, AND HE WILL BE REPRESENTING THE  
6 SOUTHERN CALIFORNIA.

7 CURT CARPENTER IS VICE PRESIDENT OF  
8 UNION BANK. CURT ALSO HAS AN EXTENSIVE BACKGROUND  
9 IN LENDING, BOTH IN THE PRIVATE AND PUBLIC SECTORS,  
10 AND WILL BE OUR PRIVATE SECTOR REPRESENTATIVE FOR  
11 NORTHERN CALIFORNIA.

12 FRAN AGUILAR, WHO PROBABLY NEEDS NO  
13 INTRODUCTION, IS CURRENTLY THE ECONOMIC DEVELOPMENT  
14 MANAGER BUSINESS FINANCE SERVICES, SAN JOAQUIN  
15 COUNTY EMPLOYMENT AND ECONOMIC DEVELOPMENT  
16 DEPARTMENT. FRAN HAS EXTENSIVE LENDING AND  
17 ECONOMIC DEVELOPMENT BACKGROUND AND WOULD REPRESENT  
18 THE PUBLIC SECTOR IN THE CENTRAL VALLEY.

19 STAFF RECOMMEND MR. AGUILAR'S TERM  
20 BEGIN EFFECTIVE APRIL 1ST, 1998. THIS IS -- WOULD  
21 MARK THE ONE-YEAR SEPARATION FROM THE BOARD. ALL  
22 THE OTHER TERMS SHOULD BEGIN IN JANUARY OF 1998.  
23 HALF THE SIX TERMS WILL END IN DECEMBER OF 1999,  
24 THE OTHER HALF IN DECEMBER OF THE YEAR 2000.

25 ULTIMATELY THE COMMITTEE THEN WILL BE



1 ON STAGGERED THREE-YEAR TERMS WITH ONE-THIRD OF THE  
2 COMMITTEE COMING UP FOR REAPPOINTMENT IN ANY GIVEN  
3 YEAR. ANY QUESTIONS?

4 CHAIRMAN RELIS: QUESTIONS? HAD THE  
5 CHANCE TO MEET CURT CARPENTER THIS MORNING, SPENT  
6 ABOUT A HALF HOUR WITH HIM DISCUSSING THE PROGRAM.  
7 HE SEEMS QUITE KNOWLEDGEABLE AND EAGER TO BE PART  
8 OF THIS EFFORT.

9 AND FRAN, OF COURSE, I GUESS HE  
10 COULDN'T STAY AWAY FROM THE LOAN PROGRAM AFTER ALL.

11 I HAVE NOT HAD A CHANCE TO MEET WITH  
12 ROBERT PICKERAL, BUT APPRECIATE THE WORK THAT'S  
13 BEEN DONE. I KNOW BOB FRAZEE, I GUESS, KNOWS MR.  
14 PICKERAL. HIS OFFICE RECOMMENDED HIM.

15 MR. CAPUTI: YES, HE DID.

16 CHAIRMAN RELIS: ALWAYS HELPFUL TO HAVE  
17 CONTACTS IN THE BANKING SECTOR. ARE THERE ANY  
18 QUESTIONS? WESLEY, DO YOU HAVE ANY?

19 MEMBER CHESBRO: NO. GOOD, WELL-ROUNDED  
20 GROUP. I'LL BE HAPPY TO MOVE THE STAFF  
21 RECOMMENDATION.

22 CHAIRMAN RELIS: OKAY. THE STAFF  
23 RECOMMEND PROPOSAL TO RECOMMEND THE THREE  
24 CANDIDATES, PICKERAL, CARPENTER, AND AGUILAR, HAS  
25 BEEN MOVED. I'LL SECOND IT.



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THE SECRETARY: MEMBER CHESBRO.

MEMBER CHESBRO: AYE.

THE SECRETARY: CHAIRMAN RELIS.

CHAIRMAN RELIS: AYE. CONSENT? CONSENT

IT IS.

MS. TRGOVCICH: DO WE NEED TO INCLUDE  
ADOPTION OF RESOLUTION 97-504 ON THAT MOTION?

BOARD MEMBER CHESBRO: THAT WAS PART OF MY  
MOTION.

CHAIRMAN RELIS: LET'S CLARIFY THE MOTION.  
IT WAS PART OF THE MOTION, AND IT STANDS APPROVED,  
AND IT WILL BE ON CONSENT.

THAT COMPLETES OUR BUSINESS AND WE'RE  
ADJOURNED.

(THE MEETING WAS THEN ADJOURNED AT  
10:28 A.M.)



## Reporter's Certificate

\* \* \* \* \*

I, Beth C. Drain hereby certify:

that on the 6th day of  
November, 1997, I did report in  
shorthand the testimony of the foregoing  
proceedings;

that on the conclusion of the above entitled  
matter, I did transcribe my shorthand notes into  
typewriting;

that the foregoing transcript is a true and correct  
record of my shorthand notes thereof.

Beth C. Drain

Certified Shorthand Reporter

Certificate No. 7152

